

DEBATES
OF
THE SENATE
OF THE
DOMINION OF CANADA

1930

OFFICIAL REPORT

Editor: DAVID J. HALPIN

Reporters: H. H. EMERSON, B. P. LAKE

Reserve Reporter: THOS. BENGOUGH

FIRST SESSION—SEVENTEENTH PARLIAMENT—21 GEORGE V



OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1930

SENATORS OF CANADA

ACCORDING TO SENIORITY

SEPTEMBER 22, 1930

THE HONOURABLE PIERRE E. BLONDIN, P.C., SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
PASCAL POIRIER.....	Acadie.....	Shediac, N.B.
RAOUL DANDURAND, P.C.....	De Lorimier.....	Montreal, Que.
JOSEPH P. B. CASGRAIN.....	De Lanaudière.....	Montreal, Que.
FRÉDÉRIC L. BÉIQUE, P.C.....	De Salaberry.....	Montreal, Que.
JOSEPH H. LEGRIS.....	Repentigny.....	Louiseville, Que.
JULES TESSIER.....	De la Durantaye.....	Quebec, Que.
JAMES H. ROSS.....	Moose Jaw.....	Moose Jaw, Sask.
NAPOLEÓN A. BELCOURT, P.C.....	Ottawa.....	Ottawa, Ont.
EDWARD MATTHEW FARRELL.....	Liverpool.....	Liverpool, N.S.
JOSEPH M. WILSON.....	Sorel.....	Montreal, Que.
RUFUS HENRY POPE.....	Bedford.....	Cookshire, Que.
JOHN W. DANIEL.....	Saint John.....	Saint John, N.B.
GEORGE GORDON.....	Nipissing.....	North Bay, Ont.
NATHANIEL CURRY.....	Amherst.....	Amherst, N.S.
EDWARD L. GIRROIR.....	Antigonish.....	Antigonish, N.S.
ERNEST D. SMITH.....	Wentworth.....	Winona, Ont.
JAMES J. DONNELLY.....	South Bruce.....	Pinkerton, Ont.
CHARLES PHILIPPE BEAUBIEN.....	Montarville.....	Montreal, Que.
JOHN McLEAN.....	Souris.....	Souris, P.E.I.
JOHN STEWART McLENNAN.....	Sydney.....	Sydney, N.S.
WILLIAM HENRY SHARPE.....	Manitou.....	Manitou, Man.
GIDEON D. ROBERTSON, P.C.....	Welland.....	Welland, Ont.
GEORGE LYNCH-STAUNTON.....	Hamilton.....	Hamilton, Ont.
CHARLES E. TANNER.....	Pictou.....	Halifax, N.S.
THOMAS JEAN BOURQUE.....	Richibucto.....	Richibucto, N.B.

SENATORS OF CANADA

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
HENRY W. LAIRD.....	Regina.....	Regina, Sask.
ALBERT E. PLANTA.....	Nanaimo.....	Nanaimo, B.C.
JOHN HENRY FISHER.....	Brant.....	Paris, Ont.
LENDRUM McMEANS.....	Winnipeg.....	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE.....	Gulf.....	Quebec, Que.
GEORGE GREEN FOSTER.....	Alma.....	Montreal, Que.
RICHARD SMEATON WHITE.....	Inkerman.....	Montreal, Que.
AIMÉ BÉNARD.....	St. Boniface.....	Winnipeg, Man.
GEORGE HENRY BARNARD.....	Victoria.....	Victoria, B.C.
WELLINGTON B. WILLOUGHBY.....	Moose Jaw.....	Moose Jaw, Sask.
JAMES DAVIS TAYLOR.....	New Westminster.....	New Westminster, B.C.
FREDERICK L. SCHAFFNER.....	Boissevain.....	Boissevain, Man.
EDWARD MICHENER.....	Red Deer.....	Red Deer, Alta.
WILLIAM JAMES HARMER.....	Edmonton.....	Edmonton, Alta.
IRVING R. TODD.....	Charlotte.....	Milltown, N.B.
PIERRE ÉDOUARD BLONDIN, P.C. (Speaker)...	The Laurentides.....	Montreal, Que.
JOHN G. TURRIFF.....	Assiniboia.....	Carlyle, Sask.
GERALD VERNER WHITE.....	Pembroke.....	Pembroke, Ont.
THOMAS CHAPAIS.....	Grandville.....	Quebec, Que.
LORNE C. WEBSTER.....	Stadacona.....	Montreal, Que.
JOHN STANFIELD.....	Colchester.....	Truro, N.S.
JOHN ANTHONY McDONALD.....	Shediac.....	Shediac, N.B.
WILLIAM A. GRIESBACH, C.B., C.M.G.....	Edmonton.....	Edmonton, Alta.
JOHN McCORMICK.....	Sydney Mines.....	Sydney Mines, N.S.
RT. HON. SIR GEORGE E. FOSTER, P.C., G.C.M.G.....	Ottawa.....	Ottawa, Ont.
JAMES A. CALDER, P.C.....	Saltcoats.....	Regina, Sask.
ROBERT F. GREEN.....	Kootenay.....	Victoria, B.C.
ARCHIBALD B. GILLIS.....	Saskatchewan.....	Whitewood, Sask.
ARCHIBALD H. MACDONELL, C.M.G.....	South Toronto.....	Toronto, Ont.
FRANK B. BLACK.....	Westmorland.....	Sackville, N.B.
SANFORD J. CROWE.....	Burrard.....	Vancouver, B.C.
PETER MARTIN.....	Halifax.....	Halifax, N.S.
ARTHUR C. HARDY, P.C.....	Leeds.....	Brockville, Ont.
ONÉSIPHORE TURGEON.....	Gloucester.....	Bathurst, N.B.
SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	North York.....	Toronto, Ont.
ANDREW HAYDON.....	Lanark.....	Ottawa, Ont.
CLIFFORD W. ROBINSON.....	Moncton.....	Moncton, N.B.

SENATORS OF CANADA

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SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
JAMES JOSEPH HUGHES.....	King's.....	Souris, P.E.I.
CREELMAN MACARTHUR.....	Prince.....	Summerside, P.E.I.
JACQUES BUREAU, P.C.....	La Salle.....	Three Rivers, Que.
HENRI SÉVÉRIN BÉLAND, P.C.....	Lauzon.....	St. Joseph de Beauce, Que.
JOHN LEWIS.....	Toronto.....	Toronto, Ont.
CHARLES MURPHY, P.C.....	Russell.....	Ottawa, Ont.
WILLIAM ASHBURY BUCHANAN.....	Lethbridge.....	Lethbridge, Alta.
PROSPER EDMOND LESSARD.....	St. Paul.....	Edmonton, Alta.
JAMES PALMER RANKIN.....	Perth, N.....	Stratford, Ont.
ARTHUR BLISS COPP, P.C.....	Westmorland.....	Sackville, N.B.
JOHN PATRICK MOLLOY.....	Provencher.....	Morris, Man.
WILFRID LAURIER McDUGALD.....	Wellington.....	Montreal, Que.
DANIEL E. RILEY.....	High River.....	High River, Alta.
PAUL L. HATFIELD.....	Yarmouth.....	Yarmouth, N.S.
RT. HON. GEORGE P. GRAHAM, P.C.....	Eganville.....	Brockville, Ont.
WILLIAM H. MCGUIRE.....	East York.....	Toronto, Ont.
DONAT RAYMOND.....	De la Vallière.....	Montreal, Que.
PHILIPPE J. PARADIS.....	Shawinigan.....	Quebec, Que.
JAMES H. SPENCE.....	North Bruce.....	Toronto, Ont.
EDGAR S. LITTLE.....	London.....	London, Ont.
GUSTAVE LACASSE.....	Essex.....	Tecumseh, Ont.
HENRY HERBERT HORSEY.....	Prince Edward.....	Cressy, Ont.
WALTER E. FOSTER, P.C.....	Saint John.....	Saint John, N.B.
HANCE J. LOGAN.....	Cumberland.....	Parrsboro, N.S.
ROBERT FORKE, P.C.....	Brandon.....	Pipestone, Man.
CAIRINE R. WILSON.....	Rockcliffe.....	Ottawa, Ont.
JAMES MURDOCK, P.C.....	Parkdale.....	Ottawa, Ont.
RODOLPHE LEMIEUX, P.C.....	Rougemont.....	Ottawa, Ont.
EDMUND WILLIAM TOBIN.....	Victoria.....	Bromptonville, Que.
GEORGE PARENT.....	Kennebec.....	Quebec, Que.
JULES-ÉDOUARD PREVOST.....	Mille Isles.....	St. Jerome, Que.
LAWRENCE ALEXANDER WILSON.....	Rigaud.....	Coteau du Lac, Que.
JOHN EWEN SINCLAIR, P.C.....	Queen's.....	Emerald, P.E.I.
JAMES H. KING, P.C.....	Kootenay East.....	Ottawa, Ont.

SENATORS OF CANADA

ALPHABETICAL LIST

SEPTEMBER 22, 1930

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.....	North York.....	Toronto, Ont.
BARNARD, G. H.....	Victoria.....	Victoria, B.C.
BEAUBIEN, C. P.....	Montarville.....	Montreal, Que.
BÉRIQUE, F. L., P.C.....	De Salaberry.....	Montreal, Que.
BÉLAND, H. S., P.C.....	Lauzon.....	St. Joseph de Beauce, Que.
BELCOURT, N. A., P.C.....	Ottawa.....	Ottawa, Ont.
BÉNARD, A.....	St. Boniface.....	Winnipeg, Man.
BLACK, F. B.....	Westmorland.....	Sackville, N.B.
BLONDIN, P. E., P.C. (Speaker).....	The Laurentides.....	Montreal, Que.
BOURQUE, T. J.....	Richibucto.....	Richibucto, N.B.
BUCHANAN, W. A.....	Lethbridge.....	Lethbridge, Alta.
BUREAU, J., P.C.....	La Salle.....	Three Rivers, Que.
CALDER, J. A., P.C.....	Saltcoats.....	Regina, Sask.
CASGRAIN, J. P. B.....	De Lanaudière.....	Montreal, Que.
CHAPAIS, T.....	Grandville.....	Quebec, Que.
COPP, A. B., P.C.....	Westmorland.....	Sackville, N.B.
CROWE, S. J.....	Burrard.....	Vancouver, B.C.
CURRY, N.....	Amherst.....	Amherst, N.S.
DANDURAND, R., P.C.....	De Lorimier.....	Montreal, Que.
DANIEL, J. W.....	St. John.....	St. John, N.B.
DONNELLY, J. J.....	South Bruce.....	Pinkerton, Ont.
FARRELL, E. M.....	Liverpool.....	Liverpool, N.S..
FISHER, J. H.....	Brant.....	Paris, Ont.
FORKE, R., P.C.....	Brandon.....	Pipestone, Man.
FOSTER, G. G.....	Alma.....	Montreal, Que.
FOSTER, RT. HON. SIR GEORGE E., P.C., G.C.M.G.....	Ottawa.....	Ottawa, Ont.
FOSTER, W. E., P.C.....	Saint John.....	Saint John, N.B.

ALPHABETICAL LIST

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
GILLIS, A. B.....	Saskatchewan.....	Whitewood, Sask.
GIRROIR, E. L.....	Antigonish.....	Antigonish, N.S.
GORDON, G.....	Nipissing.....	North Bay, Ont.
GRAHAM, RT. HON. GEO. P., P.C.....	Eganville.....	Brockville, Ont.
GREEN, R. F.....	Kootenay.....	Victoria, B.C.
GRIESBACH, W. A., C.B., C.M.G.....	Edmonton.....	Edmonton, Alta.
HARDY, A. C., P.C.....	Leeds.....	Brockville, Ont.
HARMER, W. J.....	Edmonton.....	Edmonton, Alta.
HATFIELD, P. L.....	Yarmouth.....	Yarmouth, N.S.
HAYDON, A.....	Lanark.....	Ottawa, Ont.
HORSEY, H. H.....	Prince Edward.....	Cressy, Ont.
HUGHES, J. J.....	King's.....	Souris, P.E.I.
KING, J. H., P.C.....	Kootenay East.....	Ottawa, Ont.
LACASSE, G.....	Essex.....	Tecumseh, Ont.
LAIRD, H. W.....	Regina.....	Regina, Sask.
LEGRIS, J. H.....	Repentigny.....	Louiseville, Que.
LEMIEUX, R., P.C.....	Rougemont.....	Ottawa, Ont.
L'ESPÉRANCE, D. O.....	Gulf.....	Quebec, Que.
LESSARD, P. E.....	St. Paul.....	Edmonton, Alta.
LEWIS, J.....	Toronto.....	Toronto, Ont.
LITTLE, E. S.....	London.....	London, Ont.
LOGAN, H. J.....	Cumberland.....	Parrsboro, N.S.
LYNCH-STAUTON, G.....	Hamilton.....	Hamilton, Ont.
MACARTHUR, C.....	Prince.....	Summerside, P.E.I.
MACDONELL, A. H., C.M.G.....	Toronto, South.....	Toronto, Ont.
MARTIN, P.....	Halifax.....	Halifax, N.S.
MCCORMICK, J.....	Sydney Mines.....	Sydney Mines, N.S.
MCDONALD, J. A.....	Shediac.....	Shediac, N.B.
MCDUGALD, W. L.....	Wellington.....	Montreal, Que.
MCGUIRE, W. H.....	East York.....	Toronto, Ont.
MCLEAN, J.....	Souris.....	Souris, P.E.I.
MCLENNAN, J. S.....	Sydney.....	Sydney, N.S.
MCMEANS, L.....	Winnipeg.....	Winnipeg, Man.
MICHENER, E.....	Red Deer.....	Red Deer, Alta.
MOLLOY, J. P.....	Provencher.....	Morris, Man.
MURDOCK, J., P.C.....	Parkdale.....	Ottawa, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
MURPHY, C., P.C.....	Russell.....	Ottawa, Ont.
PARADIS, P. J.....	Shawinigan.....	Quebec, Que.
PARENT, G.....	Kennebec.....	Quebec, P.Q.
PLANTA, A. E.....	Nanaimo.....	Nanaimo, B.C.
POIRIER, P.....	Acadie.....	Shediac, N.B.
POPE, R. H.....	Bedford.....	Cookshire, Que.
PREVOST, J. E.....	Mille Isles.....	St. Jerome, Que.
RANKIN, J. P.....	Perth, N.....	Stratford, Ont.
RAYMOND, D.....	De la Vallière.....	Montreal, Que.
RILEY, D. E.....	High River.....	High River, Alta.
ROBERTSON, G. D., P.C.....	Welland.....	Welland, Ont.
ROBINSON, C. W.....	Moncton.....	Moncton, N.B.
ROSS, J. H.....	Moose Jaw.....	Moose Jaw, Sask.
SCHAFFNER, F. L.....	Boissevain.....	Boissevain, Man.
SHARPE, W. H.....	Manitou.....	Manitou, Man.
SINCLAIR, J. E., P.C.....	Queen's.....	Emerald, P.E.I.
SMITH, E. D.....	Wentworth.....	Winona, Ont.
SPENCE, J. H.....	North Bruce.....	Toronto, Ont.
STANFIELD, J.....	Colchester.....	Truro, N.S.
TANNER, C. E.....	Pictou.....	Pictou, N.S.
TAYLOR, J. D.....	New Westminster.....	New Westminster, B.C.
TESSIER, JULES.....	De la Durantaye.....	Quebec, Que.
TOBIN, E. W.....	Victoria.....	Bromptonville, Que.
TODD, I. R.....	Charlotte.....	Milltown, N.B.
TURGEON, O.....	Gloucester.....	Bathurst, N.B.
TURRIFF, J. G.....	Assiniboia.....	Carlyle, Sask.
WEBSTER, L. C.....	Stadacona.....	Montreal, Que.
WHITE, R. S.....	Inkerman.....	Montreal, Que.
White, G. V.....	Pembroke.....	Pembroke, Ont.
WILLOUGHBY, W. B.....	Moose Jaw.....	Moose Jaw, Sask.
WILSON, J. M.....	Sorel.....	Montreal, Que.
WILSON, C. R.....	Rockcliffe.....	Ottawa, Ont.
WILSON, L. A.....	Rigaud.....	Coteau du Lac, P.Q.

SENATORS OF CANADA

BY PROVINCES

SEPTEMBER 22, 1930

ONTARIO—24

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 NAPOLÉON A. BELCOURT, P.C.....	Ottawa.
2 GEORGE GORDON.....	North Bay.
3 ERNEST D. SMITH.....	Winona.
4 JAMES J. DONNELLY.....	Pinkerton.
5 GEORGE LYNCH-STAUNTON.....	Hamilton.
6 GIDEON D. ROBERTSON, P.C.....	Welland.
7 JOHN HENRY FISHER.....	Paris.
8 GERALD VERNER WHITE.....	Pembroke.
9 RT. HON. SIR GEO. E. FOSTER, P.C., G.C.M.G.....	Ottawa.
10 ARCHIBALD H. MACDONELL, C.M.G.....	Toronto.
11 ARTHUR C. HARDY.....	Brockville.
12 SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	Toronto.
13 ANDREW HAYDON.....	Ottawa.
14 CHARLES MURPHY, P.C.....	Ottawa.
15 JOHN LEWIS.....	Toronto.
16 JAMES PALMER RANKIN.....	Stratford.
17 RT. HON. GEORGE P. GRAHAM, P.C.....	Brockville.
18 WILLIAM H. MCGUIRE.....	Toronto.
19 JAMES H. SPENCE.....	Toronto.
20 EDGAR S. LITTLE.....	London.
21 GUSTAVE LACASSE.....	Tecumseh.
22 HENRY H. HORSEY.....	Cressy.
23 CAIRINE R. WILSON.....	Ottawa.
24 JAMES MURDOCK, P.C.....	Ottawa.

QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
The Honourable		
1 RAOUL DANDURAND, P.C.....	De Lorimier.....	Montreal.
2 JOSEPH P. B. CASGRAIN.....	De Lanaudière.....	Montreal.
3 FRÉDÉRIC L. BÉIQUE, P.C.....	De Salaberry.....	Montreal.
4 JOSEPH H. LEGRIS.....	Repentigny.....	Louiseville.
5 JULES TESSIER.....	De la Durantaye.....	Quebec.
6 JOSEPH M. WILSON.....	Sorel.....	Montreal.
7 RUFUS H. POPE.....	Bedford.....	Cookshire.
8 CHARLES PHILIPPE BEAUBIEN.....	Montarville.....	Montreal.
9 DAVID OVIDE L'ESPÉRANCE.....	Gulf.....	Quebec.
10 GEORGE GREEN FOSTER.....	Alma.....	Montreal.
11 RICHARD SMEATON WHITE.....	Inkerman.....	Montreal.
12 PIERRE EDOUARD BLONDIN, P.C. (Speaker)	The Laurentides.....	Montreal.
13 THOMAS CHAPAIS.....	Grandville.....	Quebec.
14 LORNE C. WEBSTER.....	Stadacona.....	Montreal.
15 HENRI SÉVÉRIN BÉLAND, P.C.....	Lauzon.....	St. Joseph de Beauce.
16 JACQUES BUREAU, P.C.....	La Salle.....	Three Rivers.
17 WILFRID LAURIER McDUGALD.....	Wellington.....	Montreal.
18 DONAT RAYMOND.....	De la Vallière.....	Montreal.
19 PHILIPPE J. PARADIS.....	Shawinigan.....	Quebec.
20 RODOLPHE LEMIEUX, P.C.....	Rougemont.....	Ottawa, Ont.
21 EDMUND W. TOBIN.....	Victoria.....	Bromptonville.
22 GEORGE PARENT.....	Kennebec.....	Quebec.
23 JULES-ÉDOUARD PREVOST.....	Mille Isles.....	St. Jerome.
24 WILSON, L. A.....	Rigaud.....	Coteau du Lac.

NOVA SCOTIA—10

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 EDWARD M. FARRELL.....	Liverpool.
2 NATHANIEL CURRY.....	Amherst.
3 EDWARD L. GIRROIR.....	Antigonish.
4 JOHN S. McLENNAN.....	Sydney.
5 CHARLES E. TANNER.....	Pictou.
6 JOHN STANFIELD.....	Truro.
7 JOHN McCORMICK.....	Sydney Mines.
8 PETER MARTIN.....	Halifax.
9 PAUL L. HATFIELD.....	Yarmouth.
10 HANCE J. LOGAN.....	Parrsboro.

NEW BRUNSWICK—10

The Honourable	
1 PASCAL POIRIER.....	Shediac.
2 JOHN W. DANIEL.....	Saint John.
3 THOMAS JEAN BOURQUE.....	Richibucto.
4 IRVING R. TODD.....	Milltown.
5 JOHN ANTHONY McDONALD.....	Shediac.
6 FRANK B. BLACK.....	Sackville.
7 ONÉSIPHORE TURGEON.....	Bathurst.
8 CLIFFORD W. ROBINSON.....	Moncton.
9 ARTHUR BLISS COPP, P.C.....	Sackville.
10 WALTER E. FOSTER, P.C.....	Saint John.

PRINCE EDWARD ISLAND—4

The Honourable	
1 JOHN McLEAN.....	Souris.
2 JAMES JOSEPH HUGHES.....	Souris.
3 CREELMAN MacARTHUR.....	Summerside.
4 JOHN EWEN SINCLAIR, P.C.....	Emerald.

BRITISH COLUMBIA—6

SENATORS	POST OFFICE ADDRESS
The Honourable	
1 ALBERT E. PLANTA.....	Nanaimo.
2 GEORGE HENRY BARNARD.....	Victoria.
3 JAMES DAVIS TAYLOR.....	New Westminster.
4 ROBERT F. GREEN.....	Victoria.
5 SANFORD J. CROWE.....	Vancouver.
6 JAMES H. KING, P.C.....	Ottawa, Ont.

MANITOBA—6

The Honourable	
1 WILLIAM H. SHARPE.....	Manitou.
2 LENDRUM McMEANS.....	Winnipeg.
3 AIMÉ BÉNAARD.....	Winnipeg.
4 FREDERICK L. SCHAFFNER.....	Winnipeg.
5 JOHN PATRICK MOLLOY.....	Morris.
6 ROBERT FORKE, P.C.....	Pipestone.

SASKATCHEWAN—6

The Honourable	
1 JAMES H. ROSS.....	Moose Jaw.
2 HENRY W. LAIRD.....	Regina.
3 WELLINGTON B. WILLOUGHBY.....	Moose Jaw.
4 JOHN G. TURRIFF.....	Carlyle.
5 JAMES A. CALDER, P.C.....	Regina.
6 ARCHIBALD B. GILLIS.....	Whitewood.

ALBERTA—6

The Honourable	
1 EDWARD MICHENER.....	Red Deer.
2 WILLIAM JAMES HARMER.....	Edmonton.
3 WILLIAM A. GRIESBACH, C.B., C.M.G.....	Edmonton.
4 PROSPER EDMOND LESSARD.....	Edmonton.
5 WILLIAM ASHBURY BUCHANAN.....	Lethbridge.
6 DANIEL E. RILEY.....	High River.

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Monday, September 8, 1930.

The Seventeenth Parliament having been summoned by Proclamation of the Governor General to meet this day in its First Session for the despatch of business:

The Senate met at 11.30 a.m.

SPEAKER OF THE SENATE

Hon. PIERRE EDOUARD BLONDIN, having taken the Clerk's chair, rose and said: Honourable senators, I have the honour to inform you that a Commission has been issued under the Great Seal, appointing me Speaker of the Senate.

The said Commission was then read by the Clerk.

The Honourable the Speaker then took the Chair at the foot of the Throne, to which he was conducted by Hon. Mr. Willoughby and Hon. Mr. Dandurand, the Gentleman Usher of the Black Rod preceding.

Prayers.

OPENING OF THE SESSION

The Honourable the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary informing him that the Right Hon. Mr. Justice Duff, in his capacity of Deputy Governor General, would proceed to the Senate Chamber to open the session of the Dominion Parliament on Monday, the 8th of September, at 12 o'clock noon.

NEW SENATORS INTRODUCED

The following newly-appointed senators were severally introduced and took their seats:

Hon. Rodolphe Lemieux, K.C., B.C.L., LL.D., of Ottawa, Ontario, introduced by Hon. R. Dandurand and Right Hon. G. P. Graham.

Hon. John Ewen Sinclair, of Emerald, Prince Edward Island, introduced by Hon. R. Dandurand and Hon. C. MacArthur.

Hon. James H. King, M.D., C.M., F.A.C.S., LL.D., of Cranbrook, British Columbia, in-

roduced by Hon. N. A. Belcourt and Right Hon. G. P. Graham.

The Senate adjourned during pleasure.

OPENING OF THE SESSION

The Right Hon. Lyman P. Duff, a Justice of the Supreme Court of Canada, Deputy Governor General, having come and being seated,

The Hon. the SPEAKER commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that: "It is the Right Honourable the Deputy Governor General's desire that they attend him immediately in the Senate."

Who being come,

The Hon. the SPEAKER said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of his summoning the present Parliament of Canada, until a Speaker of the House of Commons shall have been chosen, according to law; but this afternoon, at the hour of three o'clock, His Excellency will declare the causes of his calling this Parliament.

The Right Honourable the Deputy Governor was pleased to retire, and the House of Commons withdrew.

The sitting was resumed.

NEW SENATORS INTRODUCED

The following newly-appointed senators were severally introduced and took their seats:

Hon. Edmund William Tobin, of Bromptonville, Quebec, introduced by Hon. R. Dandurand and Hon. J. Bureau.

Hon. Georges Parent, K.C., of Quebec, Quebec, introduced by Hon. R. Dandurand and Hon. Jules Tessier.

The Senate adjourned until 2.30 p.m. this day.

The Senate met at 2.30 p.m., the Speaker in the Chair.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At three o'clock His Excellency the Governor General proceeded to the Senate Chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and that House being come, with their Speaker, His Excellency was pleased to open the First Session of the Seventeenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:
Members of the House of Commons:

It affords me great satisfaction to be associated with you in the important duties upon which you are about to enter at this the First Session of the Seventeenth Parliament of Canada.

The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs Tariff which it is anticipated will do much to meet the unusual conditions which now prevail.

Honourable Members of the Senate:
Members of the House of Commons:

In inviting your careful consideration of the important matters which will engage your attention, I pray that Divine Providence may guide and bless your deliberations.

His Excellency the Governor General was pleased to retire, and the House of Commons withdrew.

The sitting of the Senate was resumed.

RAILWAY BILL

FIRST READING

Bill—, an Act relating to railways.—Hon. Mr. Willoughby.

NEW SENATOR INTRODUCED

Hon. Jules Edouard Prevost, of St. Jerome, Quebec, introduced by Hon. Raoul Dandurand and Hon. F. L. Béique.

COMMITTEE ON ORDERS AND PRIVILEGES

Hon. Mr. WILLOUGHBY moved:

That all the senators present during the session be appointed a Committee to consider the Orders and Customs of the Senate and Privileges of Parliament, and that the said Committee have leave to meet in the Senate Chamber when and as often as they please.

The motion was agreed to.

The Senate adjourned until to-morrow at 3 p.m.

The Hon. the SPEAKER.

THE SENATE

Tuesday, September 9, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate proceeded to the consideration of His Excellency the Governor General's Speech at the opening of the session.

Hon. AIME BENARD (translation): Honourable senators, on rising to move the Address in reply to the Speech from the Throne, my first duty is to offer to you, Mr. Speaker, in my own name, and, I am sure, in the name of each and every one of my honourable colleagues, sincere congratulations upon your appointment to the position of honour and trust that you occupy. In felicitating the Government upon its very judicious selection, may we take this opportunity of wishing you a pleasant and peaceful regime in presiding over our deliberations.

It is likewise an agreeable duty for me to congratulate the honourable senator from Moose Jaw (Hon. Mr. Willoughby) upon his accession to the position of Government leader in this Chamber, an office for which his eminent qualifications had designated him in advance; also to congratulate the honourable senator from Welland (Hon. Mr. Robertson), who has been called upon to direct such an important Department, upon which the present situation has imposed exceptional responsibilities.

May I add that my good wishes are extended to the leader of the Opposition and his honourable colleagues, who will henceforth be able to enjoy a comparative rest, which they certainly deserve.

If the great honour conferred upon me were confined to myself alone, I should have hesitated to accept it; but in the course of the last forty years this is, I believe, the first time a French Canadian has been called upon to move, in the Senate, in his native tongue, the Address in reply to the gracious speech of His Excellency.

Hon. Mr. CASGRAIN: I moved it.

Hon. Mr. BENARD: This is an honour that is reflected upon the important Western group I represent, as well as upon my compatriots in the Province of Quebec, where I

was born. For these reasons I have accepted with pleasure and gratitude, and I thank the Government for having honoured my people in conferring this privilege upon my humble self.

The pleasure that I experience is enhanced by the satisfaction of observing that my old native province has returned to its past traditions, and that it will have a considerable part in the deliberations of a Government in which all national elements and all provinces are normally represented, according to the spirit of Canadian Confederation.

On this occasion, when we are assembled to deal with one of the tensest of financial and economic situations, it is encouraging to observe the assurance given by each province of the Dominion that it will co-operate with the central Government in a common endeavour, and the attitude of the people as a whole leaves no doubt as to what is expected of the legislators in the way of prompt and united action. The time seems opportune, then, for all men of good-will to join together in seeking a solution of the distressing and most urgent problems that confront us.

Whatever depression may exist in other parts of the world, Canada as a young country overflowing with resources that are still almost intact, free from the crushing burdens with which older countries are laden, should, it seems, escape from the general situation and advance untrammelled in her natural development.

The fiscal laws occupy a place in the foreground among the remedies sought, and to-day, as at all times of great economic crisis, the Canadian people as a whole have rendered an irrefutable verdict in favour of the traditional Canadian policy of protection. Manitoba, the province to which I am proud to belong, has particularly acclaimed this policy and once more taken a place in the front rank in giving expression to its patriotism.

If the axiom that has been laid down, and repeated throughout the length and breadth of the country, "Canada first," has been received everywhere with enthusiasm, it must be added that the Canadian people have also declared their deep conviction that the best method of maintaining and strengthening the ties that bind us to the British Empire is for each Dominion to insure first its own prosperity. Nor has public discussion left any doubt as to the desire of the Canadian people that the British Preference should be

revised in a way that shall be not only more Canadian, but at the same time fairer to all concerned.

My remarks on the Speech from the Throne will be brief, like the Speech itself. It carries a lesson taught by the present situation as well as by recent events, namely, that this is a time, not for words, but for action.

Our common and most pressing obligation, therefore, I venture to say, is to face frankly and in broad daylight the conditions at present prevailing in our country. We must find the quickest and most effective remedy for the unemployment that has resulted from stagnation in agriculture and in our industries generally.

The Customs Act amendments announced and the various modifications in the tariff will be such, let us hope, as will encourage the development of our natural resources by Canadians and for Canadians. That they may restore confidence in business, may stimulate our foreign trade, and on our own markets prevent unfair competition from foreign countries—this, I venture to assert, is what is expected of us by the people of this country.

As you know, I am a Western farmer. The problems of the Canadian farmer are the same everywhere, and the protection needed by him, as well as by persons engaged in other industries, should cover the entire country. The failure to sell the wheat crop at satisfactory prices has been one of the causes of unemployment. This year's crop is not encouraging. It will probably yield less than the cost of production. As a farmer I therefore make a special appeal for the good-will of all honourable senators to aid and expedite the combined effort to find an outlet for our wheat—a serious problem, which has confronted us for a long time, and the non-solution of which has caused so much misery in the West and throughout Canada.

Assured beforehand of the patriotic spirit that animates all who are members of this honourable Senate, may I once more urge them to take that prompt action which the present situation demands.

I desire to express, honourable senators, my sincere thanks for your kind attention, and beg to move:

That the following Address be presented to His Excellency the Governor General to offer the humble thanks of this House to His Excellency for the gracious Speech which he has been pleased to make to both Houses of Parliament; namely:—

To His Excellency the Right Honourable Viscount Willingdon, Knight Grand Commander of

the Most Exalted Order of the Star of India, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Commander of the Most Eminent Order of the Indian Empire, Knight Grand Cross of the Most Excellent Order of the British Empire, Governor General and Commander-in-Chief of the Dominion of Canada.

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Hon. J. D. TAYLOR: Honourable members, may I be permitted to congratulate the honourable member from St. Boniface (Hon. Mr. Bénard) on the eloquent address which he has just delivered. If our friend has been in appearance merely a consenting member of this Chamber, it is quite obvious to us now that the reason has been his native modesty rather than any lack of facility when he has an opportunity to make use of the beautiful language of his and of my native province.

May I join him in congratulating Mr. Speaker on the well deserved honour which has come to him. His Honour and I came to Parliament on the same day, twenty years ago, and from my knowledge of his course in connection with public affairs during that whole period—a trying period in many respects—I can frankly say that I know of no one more deserving of the honour that has been conferred upon him than is the honourable gentleman who presides over this House at the moment.

I desire also to congratulate this honourable House on the restoration to us of the dignity of the presence here of a member of the Cabinet in full charge of a Department and with full responsibility, and having the close connection with ministerial affairs that comes only to those who have full charge of a Department and sit regularly with their colleagues of the Government. This I say without any disrespect to the honourable gentleman across the way (Hon. Mr. Dandurand), who has represented the Government so ably and affably for so many years. For him I have the highest respect and unfeigned admiration; but I am sure that every member of this House recognized that we were severely handicapped when we were dealing with affairs as we have dealt with them during the past several years, in that the honourable gentleman who spoke for the Government had not the close connection with ministerial affairs that has been restored by the presence here of the Minister of Labour.

It is not many months since we had another Speech from the Throne in this Chamber. I

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remember it very distinctly. It was in the early part of this year. In the maze of words shrouding the few thoughts that the Speech contained—in fact, the thought the Speech contained—we found but one bright spot of apparent congratulation on the part of the Government, namely, that there remained unsold in Canada 250,000,000 bushels of the wheat of the previous year. We were asked, in a sense, to give cheers for this unusual condition of affairs; a request to which I noticed no response throughout the country, no response on the part of the shipping interests, whose vessels were tied up for want of cargoes, or the railway interests, who were silent while the employees of the railroads worked two or three days a week instead of a full week. There was no response. And there is no response to-day from the owners and growers of the wheat, who instead of having any cause now to cheer or to repeat the phantom cheers of a few months ago, find that the standard of value of their wheat has been reduced from the dollar of last year to the sixty cents of this year. As I say, that was the one bright feature held up to us by the Government of the day responsible for the condition pictured in the rest of the Speech from the Throne—a picture of falling revenues, of the total disappearance of the balance of trade, favourable to Canada, of which we had heard year by year ever since the inception of the late Government. All those things had disappeared, and we were told that there were 250,000,000 bushels of unsold wheat.

Hon. Mr. CASGRAIN: Whose fault was it?

Hon. Mr. TAYLOR: Now we have by contrast a Government that takes another view of the situation. I think it is no exaggeration to say that the fortunes of the wheat crop are the prime factor in the fortunes of Canada, and that when the position of wheat is depressed the position of industry and labour from end to end of Canada must be affected, and it has been affected, as we know. Fortunately we now have a new Government, which comes to Parliament not congratulating us that we have added to the reserve of last year certain other millions of bushels, but recognizing that there is some duty under the circumstances, and which has promptly redeemed the promise made to the people of Canada that, given the opportunity, it would call this Parliament to enact legislation to put an end to the condition of poverty and apprehension which has been experienced in Canada.

Let me say in passing that I do not speak of the experience of Canada as anything peculiar to us, as anything discouraging to this Dominion. As I see it, this Dominion is the most prosperous place in civilization. I say that without any reservation. Thanks to the courage and enterprise of the Canadian people, as a people, our prosperity has been and continues to be unexampled, particularly in comparison with that of the United States, Australia, or the Mother Country. I have no words of gloom or discouragement to speak about the Canadian situation, but I do say that amongst all British people we are alone in having had up to the present a Government that failed to recognize it had any duty in the circumstances, and that was content to allow us to drift, in the hands of Providence solely, and ignored what we have all been taught, and, I think, believe—that Providence helps those who help themselves.

We have now a Government determined that Canadians, through their Parliament, shall help themselves, and in the Speech from the Throne we are promised legislation that will enable Canadians to be put to work, and will give to industry of all kinds in Canada the courage that will prevent the further displacement of staffs—a displacement that can easily be blamed upon the late Administration, because it has been caused not so much by any actual hardship on the part of employers as by the widespread feeling of uncertainty that prevailed as to the future so long as we drifted without a controlling Government.

I have no intention of going into subjects that would be proper to the debate on the Address on an occasion other than this, where Parliament is called for a special purpose. If the occasion were different I should like to take the recent heads of a number of departments for a "ride," and make plain to them something that many citizens of Canada think. But those are subjects that can be dealt with on another occasion. I should like, however, for a few minutes to recall how closely the incidents occurring in country and Parliament to-day are following those that took place when I first had any knowledge of public affairs. I came into the precincts of this Parliament—in a very humble capacity, it is true—fifty-two years ago. Let me say that I was not a member or a senator; I was a messenger boy for a then member of Parliament, and my duty was to act as liaison officer between the press gallery and the printing room of the establishment where I drew my twenty-five cents a day. As a small boy I looked over the heads in the press gallery at the great men

assembled on the floor below, and I wondered that the Almighty, with the powers that He possessed, permitted men so great—in my estimation, of course—to exist without showing His jealousy of them. They were very great men indeed. On the side of Parliament opposite to where my immediate attention was centred I saw the Hon. Alexander Mackenzie, who was then directing the fortunes of his party. I never heard anything to the detriment of the Hon. Alexander Mackenzie. Even as a boy, and ever since, I had nothing but admiration for the man and his sterling character. It was often mentioned that he was Scotch, and close in the expenditure of money. Anything more harsh I think I never heard. We had a great respect for him. But, as I remember it, the criticism of his Government was that its members had announced publicly—I was going to say shamelessly, but that is not the proper word—publicly, that, although they sat in the seats of the mighty, they were mere flies upon the wheel. That was the expression coined by one of its own members: "We are mere flies upon the wheel and cannot control the course of nature." The course of nature of that day had necessitated in the city of Ottawa, as well as in other cities of Canada, soup kitchens where men just as good as any of us were carrying down their little pails, and were given soup and a loaf of bread to take to their starving families. Other men just as good as any of us were sitting on stone piles breaking stone at sixty cents a toise, in the middle of winter, and the Government of the day said: "We are mere flies upon the wheel and cannot control the course of nature"; just as the late Government said a few months ago, "All these things are so; the revenue is gone, the trade is gone; but we have 250,000,000 bushels of unsold wheat."

The Conservative party of that day took exception to that ideal of government, and an appeal was made to the people of Canada, and then, as now, the Conservative party succeeded in having placed in power a Government that promised to do something to try to change the condition of affairs and to put those idle men at some work other than their daily wanderings from home to the soup kitchens. I well remember the result.

I hear people say now that the leader of the new Government has made very lavish promises throughout Canada, that he will put to work every person who desires to work; and they ask, "How is he going to accomplish it?" The same idea prevailed fifty years ago. I can give you in a few words an illustration of how quickly the idea of prosperity bore

fruit. The Conservative Government came into power in the fall of 1873, and so quickly was confidence restored in the country that in the spring of 1881, a little over two years afterward, Canada had courage enough to embark upon the construction of the Canadian Pacific Railway. Prosperity had been restored to the country; everybody was working; we were in a position to take up and carry to a successful conclusion within five years a project upon which the same Government had gone out seven or eight years before and which meanwhile had lain dormant. So promptly did Canada recover from the depression which the false ideal of the Liberal Government of 1873 to 1878 had fostered in Canada. Realizing what the Canada of to-day is in contrast to the Canada of fifty years ago, I see no cause to doubt that the Government of to-day can carry out its promise to the people of Canada to set all at work, just as the Government of Sir John Macdonald did fifty years ago. I think I have said sufficient for an occasion like this when I draw this parallel.

I congratulate the Government on having been so prompt to redeem its promise to the electors of Canada to institute action at the earliest possible moment; and I hope that, having started in this way, it will keep right on to the end of the road.

Hon. RAOUL DANDURAND: Honourable members, it is with great pleasure that I join with my honourable friends on the other side in congratulating His Honour the Speaker on his elevation to the seat which he now occupies. I know that his long parliamentary experience will avail him much, and I assure him, speaking for this side of the House, that we will do all in our power to make his tenure of office as pleasant as possible.

I desire to congratulate also the two members of this Chamber to whom we have just listened, the one proposing and the other seconding the motion which is now before us. The honourable gentleman from St. Boniface (Hon. Mr. B nard) we have not heard as often as we should like. He represents an important element in Canada. We are all thinking of the fortunes of the West. We know that he left the East to become a pioneer in Manitoba, and we have heard with pleasure of his success. We should like him oftener to give us the benefit of his experience since he has been in Manitoba. He has spoken of the farming community, which he represents in this Chamber. We are all aware that farming is perhaps the

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most important industry in Canada. We feel somewhat apprehensive when we hear that it is not doing well, and we join with him in hoping for better days for the farmers of the West, for we know the situation has not been all that it should be.

I heard with pleasure my honourable friend from New Westminster (Hon. Mr. Taylor). When he rises in his place I am always prepared to hear some pointed arguments which perhaps may be hard to answer. This time he has not been as—

Hon. Mr. CASGRAIN: Aggressive.

Hon. Mr. DANDURAND: No, I will not use that word. He has not been as stern. He always speaks with conviction, and I admire his sincerity.

The honourable gentleman from St. Boniface (Hon. Mr. B nard) has said that he was the first French-speaking Canadian to move the Address in reply in this Chamber. I am under the impression that he is in error in this, but I am happy to see him proposing this motion to-day.

The honourable gentleman from New Westminster has told us that last spring there were 250,000,000 bushels of grain still in our elevators, but that now, under the new Government, we have the promise of better conditions. I should like my honourable friend to read the short Speech from the Throne. I think he will have some difficulty in finding any allusion whatsoever to the solution of that problem. There is the question of unemployment, but I have yet to hear of any measure to be brought before this Chamber or the other one which will help to sell whatever grain remains in the elevators of the West or at the head of the lakes. We all are agreed upon the necessity of finding markets, and although the Government which I represented in this Chamber did not succeed in opening new markets, it hoped to be able to do so if it sent a delegation to the coming Imperial Conference. The Dunning Budget was framed with that object in view. It will now be for the present Government to secure—perhaps through means which will be disclosed to us at this short session—the British market. It is not an easy thing to do. The late Government adopted a policy; the present Government may formulate a different one, of the results of which we shall be better able to judge at the next session of Parliament. I sincerely hope that the Government's delegation will succeed in bringing about a larger purchase of our grain in the British market.

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. Mr. DANDURAND: The late Government dissolved Parliament when it could have retained power for another year. It appealed to the people, and I am happy to find that although it has lost power it has not lost the confidence of the country. It is a rare circumstance for a Government to appeal to the people and to receive an increased vote in, I believe, every province of the Dominion, without securing the majority of the members elected to Parliament. It is a consolation for the late Government, after having carried on for eight years, to find that it received the support of a larger number of citizens than ever before. The Government that I represented had a right to rely upon a repetition of the vote of 1926. It fared better: the vote for the candidates of the Liberal party was increased by some hundreds of thousands. I am not quite sure that the present Government received a majority of votes of the whole electorate. If one were to count the votes given to the various candidates, including those who were defeated as well as those who were elected, I believe it would be found that a majority of the people did not express themselves in favour of the present Government on the 28th of July. However, I do not intend to stress this point. In this country we have not proportional representation; so we must bow to the inevitable and accept what is supposed to be the will of the majority.

The late Government directed the affairs of this country for eight years.

Hon. Mr. McMEANS: Misdirected.

Hon. Mr. DANDURAND: I will not recall in detail the situation we had to face in 1921. That is well known. The Government was charged with the responsibility of operating a railway system which had large deficits and a mounting debt. I suppose no one will deny that in the eight years that followed we rehabilitated and extended that railway system. What had been a heavy financial burden, a liability, was converted into an asset. I remember that an honourable gentleman facetiously asked in 1925, "Why don't we sell the whole thing for a dollar?" Well, no syndicate, Canadian, British or American, would have accepted that railway system in 1925 for nothing.

Hon. Mr. CASGRAIN: In 1921.

Hon. Mr. DANDURAND: In 1925, I say, no syndicate would have accepted it as a gift. I wonder if any syndicate could have

been found to take it even if we had thrown into the bargain an annual bonus of \$25,000,000 for five or ten years. Honourable senators who were here in the spring of 1925 will remember that there was a Committee of this Chamber which tried to find a solution of our railway difficulties. Those difficulties were so great that we felt they were imperilling our whole financial situation. The Committee's unanimous report was adopted in this Chamber, and at that time all honourable senators were agreed that our railway system was in a bad condition. But not long after that date—within twelve or twenty-four months, I think—the railway was showing a clear operating surplus of \$40,000,000, which gave the system a value of \$800,000,000. Today, I think, it would be easy to find a syndicate willing to pay a billion dollars for it. The railway's income now justifies the valuation of a billion dollars; and, indeed, in view of Canada's present position and immediate prospects, it is possible that if the road were for sale we might secure a bid up to two billion dollars, which it appears to have cost.

The honourable senator from New Westminster (Hon. Mr. Taylor) would perhaps tell me that it was not the Government alone that brought about the difference; that the people also are entitled to credit. That is undoubtedly so, but the late Government selected the chief director of that railway system. If the system had been a financial failure, I suppose the former administration would have to bear the responsibility; therefore, it should receive some commendation because of the success that was achieved.

During the last eight years the late Government enormously strengthened Canada's financial condition, and as a result there were surpluses running into the millions. Those surpluses were not spent blindly, without a sense of responsibility, but were applied to the reduction of the national debt. Many a year—I think every year that the Liberal party was in power—the Minister of Finance was able to report that bonds totalling forty millions, or fifty millions, or seventy-five millions, had matured and he had redeemed them with surplus funds. I think that is a laudable policy.

The Liberal Government also reduced taxation. I will not go into figures, for honourable members have been present when, from time to time, measures providing for reductions in taxation came before this Chamber. Surely the bringing about of lighter taxes merits praise rather than criticism. Moreover, during the lifetime of the former Government

the annual value of our export trade was almost doubled. By means of agencies abroad, of improved transport facilities and of commercial treaties—some of which treaties have been criticized in this Chamber—our yearly export trade was built up from \$740,000,000 to more than \$1,300,000,000. Certainly there is nothing to disapprove of in that.

As honourable senators know, while the country's debts were mounting, while our railway system was totally disorganized and producing formidable deficits, there was widespread pessimism throughout the country. At one time certain Conservative newspapers carried on a campaign which became known as the "Whisper of Death." The late Government can boast of having done much to restore confidence in Canada. It is true that here too the people co-operated with the Cabinet, which is but the executive of Parliament, but at any rate the Government should be given credit for what it did in this connection. If there had been an election in the spring or summer of 1929, the then Government would have received a general endorsement. In the autumn of last year and in the following winter industrial conditions looked less favourable. But the situation that then began to develop was not the fault of the Canadian Government. My honourable friend from New Westminster (Hon. Mr. Taylor) will admit that the Federal Government is not responsible for the fact that wheat did not sell at \$1.30 or \$1.40 or \$1.50 in September or October last. It was a world-wide condition that forced the price down to the danger point of \$1. The price of wheat is determined by conditions not in this country alone, but in a world-wide market. I have yet to hear of any indictment against the late Government for omitting to do anything which would have better enabled the farmers of the West to sell their grain.

My honourable friend (Hon. Mr. Taylor) says that the price has gone down to sixty cents. I do not agree with that. That figure has been fixed as the basis of an advance to the farmers, and I hope and pray that the selling price will go beyond a dollar.

In any event, who is responsible for the existing situation? I will not dare to accuse the Government which has been in office since the 28th of July of having caused the price of wheat to go down from \$1 to sixty cents. The present low price is due to a falling off of demand in a world-wide market. There are countries in Europe, such as Italy, France, Germany, and some countries on the Mediterranean, which might appear to be possible markets for our surplus wheat. Yet

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those countries are trying to become self-sufficient. There is Great Britain, but she has other associations and interests desirous of making the best possible bargain. It is a question whether we shall be able to secure and permanently retain the British market. This brings us to a consideration of the coming Imperial Conference. I can express no opinion of what the present Government intends to do with a view to securing the British market for Canadian wheat. Possibly we shall hear a statement at this session as to the Government's proposed *modus operandi*. I should be surprised if this appeared in the form of a Bill, for I cannot imagine any kind of legislation within the power of this Parliament which would solve the wheat problem. We cannot control the markets outside our own country. As I said at the outset, if the Government does succeed, through some arrangement with Great Britain, in securing a privileged situation for our grain in that country, no one will be happier than I.

The late Government was assailed mildly by my honourable friend from New Westminster (Hon. Mr. Taylor) for being what he termed a replica of the Alexander MacKenzie Government, which he likened to flies on the wheel. During the last eight years many a difficult problem has been tackled and solved in the East and in the West. I have yet to hear of the Maritime Provinces complaining of the treatment they received at the hands of the last Liberal administration. We yearly heard from the East complaints and recriminations, with which we shall no longer have to deal. On this account, too, the late administration is entitled to credit. Then the Western Provinces were at last satisfied by the transfer to them of their natural resources. The late Government, in that connection, solved a problem that had baffled many previous administrations.

Canada's position during the last few years has been the envy of the whole world. Publicists, economists, men who know what statistics mean, have been proclaiming that Canada is a happy and prosperous land, one whose lot is to be envied. Well, I claim that the King Government, by its diligent and intelligent efforts during the last eight years, shared in the work of bringing Canada to that enviable position.

Last autumn we encountered an economic crisis. My honourable friend from New Westminster has admitted that it did not arise in Canada, but was world-wide. The National City Bank Review of New York, for the month of July, which was commented

upon by the important newspapers of this country, explained how it had arisen and developed. The world crisis began in the United States. People found from the reports of the industrial institutions that they were increasing their production and their sales, that their profits were large, and their reserves abundant; so the stock mounted. A six-per-cent stock went up to 200, which made it a three-per-cent stock. But that did not suffice, and there seemed no reason why the stock should not go higher. Would not the country develop from year to year, with an increasing population? So the stocks crept up to 225 and 250. But all of a sudden the men who were watching the monthly returns of those industrial companies began to find that there was a little slackening in production, and many foresaw that the quotations had reached the peak, and the time had come to sell, and rapidly the stocks tobogganed down to the figures we all know.

This had its reaction on this side of the line, and we also had our Black Friday. People by tens of thousands, looking at the stocks rising, were becoming prosperous and rich overnight, on paper, and were spending lavishly, and enlarging their domestic budgets. This increased our own production, but when all this excitement died down, and at the same time our crop remained in the elevators, the danger-flag appeared, and the crisis was with us.

The National City Bank Review, speaking of the United States, said that its purchasing power diminished rapidly, and the result was that the Americans curtailed their buying, and those countries that were manufacturing for them had to reduce their prices because of over-production. Now, mark this situation. Here were the people of the United States, highly protected, who had been exporting \$2,600,000,000 worth of manufactured goods, and yet importing \$1,800,000,000 worth, and who found that the reduction of their purchasing power prevented them from buying in foreign markets the quantity of manufactured goods which they usually purchased abroad. As a result, the crisis which had started in the United States developed until it reached the confines of the outside world. Canada was soon in the same situation as the United States, and its purchasing power diminished through the financial crisis, which wiped out hundreds of millions of profits, and through the lack of markets for our Western wheat.

Now the present Government claims that it can reduce imports by increasing the tariff. It has gone about the country asserting that

the \$900,000,000 of imports into this country could be materially reduced by the raising of the tariff. I would point out to the Government that the high tariff in the United States has not prevented the slump. The Government will find that its nostrum will not bring to this country a return of our prosperous days. My honourable friends want to stop the imports of manufactured goods to as large an extent as they can, but they will notice—I hope not for too long a time—that, regardless of a higher tariff, the conditions that now prevail in this country, which will continue if our wheat sells below a dollar a bushel, will bring about a natural reduction in imports, because imports, as well as the domestic trade, are influenced by the country's purchasing power. As I see the matter, my honourable friends will find that the decrease in purchasing power resulting from the reduction in the price of our great Western commodity, wheat, will be reflected in the reduction of our imports. The Government claims that it can provide our manufacturers with more work because, when foreign goods are prevented from coming to this side of the line, a larger quantity will be purchased from our manufacturers in Canada; but this expectation will not be realized if the purchasing power of the people is not increased. It will increase if we succeed in finding a market for our large Western crop.

I will not dilate upon the question of unemployment. I am under the impression that the situation is not as bad as some people are apt to think. I know that in proportion to our population there is less, very much less, unemployment than in other countries mentioned by my honourable friend from New Westminster. A census has been taken, but I do not know its exact value. People who are making a record of unemployment are apt to include all grades, and I should not care to run through the gamut of what certain people may regard as unemployment. There is always a certain amount of unemployment in the land. My honourable friends know that industries sometimes suspend operations in order to reduce their production, and start again a few weeks or a few months later. Some institutions take a holiday and dismiss all their workpeople for some weeks every year. We have also seasonal unemployment, though this would not be the case at present, as we are now in the hardworking days of the summer. The late Government was of opinion that there was not such a degree of unemployment as could not be coped with through the instrumentality of the municipalities and

the provinces, and, if it became more than a provincial problem, through the help of the Federal Government.

Let us hope that the legislation to be brought before us will deal with the requirements of the situation in such a way as not to involve an expenditure larger than is necessary. We all know that money given is apt to be given lavishly. We must all realize our duty towards those who are unemployed, but there should be very close surveillance over that kind of expenditure. That is why the late Government thought that those nearest the people—the municipalities in contact with them—could best judge what ought to be done, and with the help of the provinces, and later on, if need be, of the Federal authorities, could cope with the problem. I will defer any comment I may have to make on the measures to be brought down by the Government. They are not sufficiently indicated for us to have any inkling of what they are, because there is but one phrase in the Speech from the Throne speaking of unemployment. I will merely, in conclusion, express the hope that those measures will be such as will meet with the approval of Parliament.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, it is not my intention to make an address in reply to the speech of the honourable gentleman who has just taken his seat. I am really of the view—and I think many members of this House will share it—that we in this Chamber are not much interested in post-mortem inquiries into the cause of the defeat of the late Government. When the time comes to introduce in this House the measures proposed by the new Government, and to consider whether they should or should not be adopted, and what will be their effect, even if we can only speculate on that, there will be opportunity for argument on both sides of the House. Naturally, I shall be delighted to see that whatever measures are brought down in this House respecting unemployment are fully discussed on both sides, as to their adequacy and their probable success. In that discussion I may or may not take part, according to the development of the debate.

The honourable gentleman opposite (Hon. Mr. Dandurand) alluded to a little slip made in the remarks, I think, of the mover of the Address, when he said it was forty years since the Address had been moved in French. I am reminded that the honourable gentleman from DeLanaudière (Hon. Mr. Casgrain) some thirty years ago performed a similar function, doubtless in his own excellent way. I hope

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it will not be thirty years before there will be a repetition of the event that has taken place this afternoon.

I congratulate both the mover and the seconder of the motion on their excellent speeches. It was gratifying to myself to be able to understand the very eloquent address delivered by the mover (Hon. Mr. Bénard) in his native language. The more comprehensive address by the seconder (Hon. Mr. Taylor) was replete with fact and argument, in which, as we all know, he excels.

I desire to associate myself with what has been said in the way of congratulation to His Honour the Speaker. We are all delighted that after a considerable interval a French Canadian again presides in this Chamber. The honourable gentleman who has just been appointed comes to occupy a difficult position after the brief, but very satisfactory, regime of the honourable member from Leeds (Hon. Mr. Hardy), following the death of Senator Bostock. We all, on both sides of the House, recognized that Senator Bostock took his position most seriously. I am not going to laud him now—for this is only a passing reference—but I do not think that any Speaker could have taken more seriously than he did the position which he occupied with such distinction, or could have endeavoured more, in season and out of season, to make the work of this House proceed harmoniously and expeditiously.

If any other member wishes to take part in this debate to-morrow, I am going in a moment to move its adjournment, in order to give a further opportunity for discussion. I think that we may be able to-morrow to make an announcement as to an adjournment of this Chamber; for I do not suppose anybody anticipates that this House will sit until the end of the week. If I am in a position to-morrow to make an announcement I shall be happy to do so. It is quite within the possibilities that to-morrow we shall be able to adjourn till next week.

On this occasion, the first opportunity to do so, I wish to allude to a matter to which the honourable the seconder of the Address (Hon. Mr. Taylor) has directed your attention—the fact of a Minister of the Crown holding a portfolio and having a seat in this House. That situation meets with my entire approval, and I hope that nobody will think that my feelings are injured in the slightest degree by reason of our having in this House during a special session, called to deal with a special subject—the solution of the unemployment problem—a gentleman than whom there is

nobody in Canada more competent to cope with that problem. I refer to the honourable gentleman from Welland (Hon. Mr. Robertson). The honourable member has already been Minister of Labour, and the very important position which he has occupied, and still occupies, in his own railway union, has brought him into contact with labour and unemployment problems in Canada and the United States. I do not for a moment want to disparage the efficiency of other Ministers of Labour, but nobody else who has come to the office has had such a training as the honourable gentleman in the matters involved, or such an opportunity to study them, and I shall be disappointed if the policies of the Government in this respect, and the explanations given by the honourable gentleman, are not satisfactory, to reasonable people at all events. In connection with the work of the House the leadership will rest with me as representing the Government in this House and representing the House to the Government. In this position I shall have to take a share of the responsibility even for the declarations of my honourable friend on behalf of the Government, for while he will be accountable to it, I shall be accountable to this House; and in that respect I will not shirk my responsibility.

If there is nothing further to come before the House, I would move the adjournment of the debate until to-morrow.

The motion was agreed to.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, September 10, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. B nard for an Address in reply thereto.

Hon. W. B. WILLOUGHBY: Honourable senators, I adjourned the debate yesterday merely for the purpose of keeping it alive,

as I knew that some honourable members intended to speak. I have nothing further to add.

Hon. J. P. B. CASGRAIN: Honorables s nateurs,—

Je viens suivant l'usage antique et solennel Vanter le beau discours, au S nat  ternel, Du savant proposeur de la petite adresse. Du secondeur anglais, je loue aussi l'adresse.

Honourable senators, it did not take me long to pay my compliments, in French poetry, such as it is, to the proposer and the seconder of the Address. The honourable member for St. Boniface (Hon. Mr. B nard) said that he was the first French Canadian to move the Address in his native tongue in this Chamber in forty years. Well, his own honourable leader (Hon. Mr. Willoughby) corrected him and pointed out that I had beaten him by the small margin of thirty years. The honourable member for New Westminster (Hon. Mr. Taylor), who seconded the Address, is an old parliamentarian and journalist, and words flow just as easily from his mouth as from his pen. He said that fifty-two years ago he was a messenger boy in the Press Gallery of the House of Commons and was paid at the magnificent rate of 25 cents a day. I have him beaten on two grounds: in the first place, fifty-four years ago I was a French translator in the House of Commons, and, secondly, instead of being paid only 25 cents a day I received \$5 a day, and that was "some" money at that time.

May I pay my respects to our new Speaker? He has had a long parliamentary career. He was first elected as a member of the House of Commons in 1908, for the county of Champlain, where he lived at that time. I may say that I have known him for more than thirty years. He was a notary public in Grand'M re and I was one of his clients. I know that he was a very good notary public.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: In 1908, in the palmy days of the benign reign of our dear Sir Wilfrid Laurier, it was not easy for a Conservative to be elected in Quebec. There must have been some peculiar charm about our new Speaker, for he managed to carry that county, which had been Liberal for a good while. In 1911 he was easily elected. On that occasion the Conservatives from the Province of Quebec, or those who sided after

the election with the Conservative party, numbered no less than 27—three more than the number of Conservatives returned by that province in the last election.

The honourable leader of the House (Hon. Mr. Willoughby) told me a few minutes ago that we have plenty of time at our disposal. When a member becomes old, he never knows whether he will have another opportunity of addressing his colleagues; he has no guarantee that he will be present at a later session. Even if one were sure of it, there is no certainty that one would be physically and mentally able to make an address, or that one's memory would be sufficiently good. So I crave the indulgence of this honourable House in occupying some time this afternoon. But every honourable senator should feel perfectly at ease, and free to go out into the beautiful sunshine if he so desires. I am always sure of an audience here, and cannot be sure of getting one elsewhere. I know His Honour the Speaker will stay right in the Chair, the Clerk of the House and the Deputy Clerk will be here, and the Hansard reporters will be present taking down my words, which I hope will be read beyond the limits of this Chamber.

A session is like a law suit or a war: you know when it begins, but you never know when it will be finished. As the legislation we are expecting from the other House is not likely to come to us before Friday, and I think I can finish before then, I will refer back to 1911. That was the time of the wonderful Laurier navy, the time when our opponents were going about the Province of Quebec frightening the people with the picture they were painting. It was a picture of war, and the theatre of war was the China Sea. I never knew why they chose a sea so far removed from Canada, unless, perhaps, it was to frighten the people more. They painted a picture of poor French-Canadian boys being disembowelled on the decks of Canadian warships, and their bloody bowels hanging from the masts and yards of the warships—

Some hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN:—and vultures picking the flesh from their bones. The honourable member for Rouville (Hon. Mr. Lemieux) tried to explain that there would be no masts on the modern warships, and consequently no yards, so that the bloody bowels could not be hung upon them.

Some hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Then in the stirring election of Drummond-Arthabaska those bowels

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were again displayed on the masts, and all the eloquence of the honourable gentleman from Rouville could not convince the people that their children would not be sent to the China Sea. Why the China Sea, I do not know, except that there are typhoons there, and that if one were not killed he would be drowned anyway. I see in his seat the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster). He was told about that campaign and was asked if he approved of it, and he is reported to have said, "Anything to beat Laurier."

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Now, honourable members, I do not want you to believe that my countrymen are cowards and easily frightened. If they had been cowards there would be no Canada at all. When the thirteen English-speaking colonies rebelled there was one colony that did not turn traitor. Which colony was that? It was the only French-speaking colony. The people of that colony remained faithful and were not afraid to take up arms against the thirteen English-speaking colonies and thus save Canada to the Empire. That is history, and I challenge any honourable gentleman to contradict me on that. It took place in 1774, when the Quebec Act was before the British Parliament. What I say can be easily verified, because in the Library there is a verbatim report of the speeches; not only the speeches made in Parliament, but also those made in committee. Strange as it may seem, there must have been shorthand writers in those days. Let me say in passing that those speeches were in beautiful English, far superior to the English used in the British House of Commons to-day, and perhaps superior also to the English used in this Parliament.

On that occasion Sir Guy Carleton was a witness before one of the committees, and he was asked how many English-speaking people there were in Canada. Canada did not include the Maritime Provinces, because at that time they were a separate entity. In answer he said, under oath, that in 1773 he had taken a census and that there were the large number of 360 English-speaking people in the country. If anybody has sufficient curiosity he can verify this also simply by reading Hansard of the British House of Commons of that time. He said that, as one year had elapsed since the census, there might then be at best 400 English-speaking people in Canada. You do not believe that they could have saved the country! He added further that they were not a very desirable

lot, and said that more than half of them were disaffected and were in sympathy with their fathers and brothers and other relations who were revolting.

To bear out the truth of that statement, I would refer you to Garneau's history, where you will find that when Sir Guy Carleton arrived in Quebec he issued a proclamation requesting all who were not loyal to leave the city, as traitors were not wanted in Quebec. At that time there were twenty-six English-speaking merchants and their families in Quebec. How many of them do you suppose left? One, or two, or three, or four, or five? The whole twenty-six of them went. Every mother's son of them left the city and camped on the Isle of Orleans, because they were in sympathy with the invaders. But the French Canadians remained, and they defended Quebec. On the night of the 31st of December, 1775, the famous Benedict Arnold and his followers came to the barricade, set up ladders, and called out in French, "We are bringing you liberty—we will shake the yoke of England off your shoulders;" and they commenced to scale the ladders. The defenders replied, "To commence with liberty we will kill you first," and they killed many, including the leader, Montgomery, and then swarmed over the barricade to drive off the invaders.

In 1812, at the battle of Chateauguay, De Salaberry, who was only 37 years of age, but who had served under Wellington in the Peninsular War, and knew the strategy of war, spread his three hundred men far apart and made a barricade of fallen trees. In those days, and for many years afterwards, every farm-house had a real horn to call the men for dinner and so on. He corralled all those horns, and when Hampton with 4,000 or 6,000 men tried to break through he heard all the horns at once, and the sound was like that made by the trumpets when the walls of Jericho fell. Thinking they were almost surrounded, Hampton and his army fled. In crossing the Chateauguay River a large number of them were killed. That battle took place in the month of October, 1812.

I am straying a bit from my compliments to his Honour the Speaker. As I said, he had been elected easily in 1911. In 1914 he was called to the Cabinet, and I suppose he must have been elected by acclamation. I do not know anyone in the Conservative party who better deserved a reward than our Speaker, because he stuck to his guns the whole time. He was hounded from pillar to post in the Province of Quebec; he and

another, an able young lawyer, now a judge, Albert Sévigny. The people would say, "Les Blondin, les Sévigny—they might as well speak of Antichrist!" They were hounded through the Province of Quebec, and they were in that class which is known in India as the "untouchables." Even the Conservative party, fearing to endanger their chances in that province—which were not very good—would not have them on their slate. Now His Honour the Speaker has received his reward, and I congratulate him; and I am sure his gracious life companion will be an ornament to the drawing-rooms of the Senate.

Talking about ornaments, we in this House have acquired an ornament in the person of the honourable gentleman who was for three Parliaments the Speaker in another place (Honourable Mr. Lemieux). He has had a career even longer than that of our Speaker. In his twenties he was elected member for Gaspé; and I think he was the first Liberal elected in that county. He was elected in 1900, and again in 1904. Sir Wilfrid Laurier carried every county from Gaspé, on the south shore of the St. Lawrence, right clean through to Montreal. In 1904 there was one Conservative citadel still standing; that was the old county of Nicolet, which had resisted all the assaults of the Liberal party for a long time. Sir Wilfrid selected Rodolphe Lemieux to be the Liberal candidate in that constituency. Mr. Lemieux had graduated from so many colleges in Quebec that he could always find his alma mater wherever he offered himself as a candidate. He carried Nicolet and Gaspé at the same time. Later on, in another general election, there was trouble in the county of Rouville in the selection of a candidate; so Sir Wilfrid decided that Mr. Lemieux should run there. He did, and was elected in that county. But the 1911 election in Gaspé took place a week later, after Right Hon. Sir Robert Borden had come into power by a large majority. Mr. Lemieux did not go down to the county of Gaspé, as he had been elected in Rouville—he could not sit for the two counties, anyway—and the Assistant Clerk of this House, Mr. Gauthier, is the only living man who defeated Mr. Lemieux; which he did in his absence. D'Iberville, having taken Hudson Bay and cleaned out all the English posts on several occasions, wrote to Louis XIV: "Sire, I am sick and tired of taking Hudson Bay. Give me some other employment." Like D'Iberville, I suppose, our new member for Rougemont wrote to Premier King, "I am sick and tired of taking counties in the Province of Quebec; so you had better

send me to the Senate." So here he is with us, and I sincerely hope that he will take part in the debates, after having achieved so many successes in another place. During his occupancy of the speakership, having some leisure, he went to France and lectured on the history of Canada at the Sorbonne in Paris. Those lectures, I am told, were very well attended, and after their delivery he was made a member of the Institute of France, succeeding the universally-known Cardinal Mercier. After all those successes he was satisfied with a call to the Senate. I hope we shall hear from him often in this House, and il ne s'endormira pas dans les délices de Capoue.

Now I want to speak, if I may be permitted, of the Hon. Richard Bedford Bennett, for whom I have had the highest admiration for the last sixteen years; and I will explain why. In 1914 Right Hon. R. L. Borden decided to make another gift to Mackenzie & Mann of \$45,000,000, purchasing half of the worthless stock of the Canadian Northern Railway, as it was then known. Mr. Bennett was then 44 years of age and had been in the House of Commons only three years, but he displayed wonderful courage. I am generally pretty free in talking, but I must confess that I do not know whether I should have had such courage. Mr. Bennett rose in that House and made a wonderful speech, covering 28 pages of Hansard, occupying several hours, and delivered with that incomparable vocabulary that he possesses, and his argumentation was excellent. He was followed by the Hon. W. F. Nickle, who was no mean speaker, and although the speech of Mr. Nickle did not perhaps create the sensation that the other one did, Sir Wilfrid Laurier said that Mr. Nickle's argumentation was even stronger than that of the present Prime Minister. On that occasion Mr. Bennett displayed great independence, and one of his present colleagues told him that he would ruin himself with the Conservative party by adopting that attitude. I ask any member of this House, did he ruin himself with the Conservative party? Now he has arrived at the leadership.

Mr. Bennett was born on the 2nd of July, 1870; consequently he was sixty years of age last July. Sir John A. Macdonald became Prime Minister at the age of fifty-three, and Sir Wilfrid Laurier at fifty-five. The Right Hon. Arthur Meighen, when he succeeded Sir Robert Borden as Prime Minister, was forty-four. The present leader of the Opposition

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in another place was thirty-two years of age when he was first elected to the House of Commons, and forty-seven when he became Prime Minister. So it will be seen that Mr. Bennett is a little bit older than the average Prime Minister on first taking hold of the reins of office. Time will prove whether he will be wiser.

Mr. Bennett was a lawyer at the age of twenty-three. He went to Calgary shortly afterwards, and was twenty-eight years old when he was elected to the Assembly of the Northwest Territories. He sat in that Assembly from 1898 to 1905, and after Sir Wilfrid Laurier created the two provinces of Alberta and Saskatchewan, in 1905, Mr. Bennett was elected to the first Legislature of Alberta. He was then thirty-nine years old. He resigned his seat in 1911, at the age of forty-one, and was elected to the House of Commons. He was forty-four when he made that wonderful speech that I referred to a moment ago, about the \$45,000,000 loan. That speech has remained in the minds of the people because the then Solicitor General kept nagging at him about it, and Mr. Bennett, perhaps in a fit of temper, said, "I will not repeat what I have already said for the benefit of the gramophone of Mackenzie & Mann."

Now, after having paid my compliments to a number of persons, I will get down to more serious business. I want to talk about wheat, one of the most important matters with which we are concerned to-day, and the source of much of our financial trouble. In the Atlantic Monthly of March, 1929, there is an interesting article by Bernard Ostrolenk concerning conditions in the United States. In referring to it I shall not be in danger of the criticism that I am running down our own Northwest. The article points out that during the war the price of wheat rose to a high level, and the immense demand resulted in an immense production. It was easy to increase the crop by the use of fertilizers and scientific methods of agriculture, and for a time the year's production was eagerly bought up and turned into flour. But after the war the demand fell, and, according to this article, there were too many farmers engaged in production. That situation resulted in increased migration to the cities. The article indicates that seven out of every eight farmers in the United States are just one jump ahead of the sheriff.

Another reason for the fact that fewer farmers are required now is that their gas-driven machinery is replacing human labour

in many ways. This might be a convenient place to refer to an advertisement by the International Harvester Company to illustrate the way in which they claim one of their combine machines will save labour. They cite the case of a farmer who is cultivating 160 acres, without any hired help. The wife does the household work, gets the meals for the family, and attends to light chores.

Hon. Mr. GILLIS: I understood the farmers in the West do not work.

Hon. Mr. CASGRAIN: They do not do much, as will be plain before I get through. The machinery does it nearly all. By the use of this wonderful machine known as a combine, this farmer does the actual cutting of his harvest in 20 hours. He begins work early in the morning, and at breakfast time his place on the machine is taken by his daughter. When he has finished eating and had a smoke, he goes back to the machine, and his daughter returns to the house, where perhaps she helps her mother until it is time to leave for school. At dinner time there is a similar proceeding. The work is carried on until late in the evening. The combine is as easy to drive as an ordinary motor car, says this girl. Not only is the machine a substitute for much manual labour, but it releases for the production of grain for human consumption a large area of land which formerly was used to supply fodder for horses. Unfortunately for the grain growers, there is a limit to the quantity of bread that human beings can eat. What is the use of increasing production when there is not a similar increase in demand?

In the article to which I have referred, the author says that there are about 6,500,000 farmers in the United States, and that one-eighth of that number would be sufficient to do the necessary work. In other words, 800,000 farmers, aided by modern machinery, could produce all the wheat required in the United States, and sell it at a cheaper price than now obtained. The only solution would be for all the farmers to get together and out of every eight select the one who is best fitted to carry on the work of cultivation. The cost of overhead and agricultural implements for operating eight farms could then be divided among the eight owners, in accordance with a plan like that suggested a few days ago by Mr. Beatty. It is easy to see how much expense would be saved in that way. For instance, if a combine will harvest a farm of 160 acres in 20 hours, surely it can be used on more than one farm; perhaps on as many as eight farms. Co-operation among

the farmers would lower production cost, and stabilize the plant, output and personnel.

The United States is producing about 800,000,000 bushels of wheat, an average of 13 bushels to the acre. A large part of that is consumed by the 120,000,000 people in that country, or an average of about 5 bushels per capita, but there are left available for export some 200,000,000 bushels. By the use of scientific methods of agriculture the total production could easily be doubled. Thirteen bushels an acre is certainly not a large average. Around Edmonton the wheat growers have produced twice that quantity, and sometimes three times as much. If the total production in the United States were doubled, there would be another 800,000,000 bushels. Add that to the 200,000,000 bushels now available for export and there would be 1,000,000,000 more produced in the United States than could be consumed there. That is more than Canada, Australia and Argentina together could ship abroad. Who would consume it? The efficient farmer succeeds. Why? Because his neighbours fail. If they all succeeded, nobody would finally succeed, because there would then be a catastrophe. Remember Georgia's experience with cotton, and Maine's with potatoes. In Maine and New Brunswick during and after the war potatoes were selling for \$1 a bushel. What happened? In the United States the normal potato crop was increased very largely, the price consequently dropped, and notwithstanding the waiving of anti-trust laws, the surplus potatoes could not be disposed of abroad. There has been a flood of competition from Canada against the surplus wheat crop of the United States. Now France and Germany are paying subsidies on wheat exported; so the farmers in those countries undersell the Americans.

The Soviets have engaged, at large salaries, a number of experts from the United States to run farms on a modern basis in Russia. They have farms, I am told, of 30,000 acres, or 5,000 acres larger than a township. They are using the very latest machinery, and I understand that wheat is, at this very moment, arriving in England from southern Russia. The rates of wages and hours of work for farm labourers are determined by the Soviets, and if any of the hired help try to run away they are shot.

To be forewarned is to be forearmed, and I think it is only right that my honourable friends from the West should know how serious the competition is going to be. We have too many farmers now, and too much land under cultivation. We are facing de-

creased consumption, according to Mr. Ostrolenk's article, although I cannot follow him in that connection; but I agree with him when he says that we have to meet cut-throat competition abroad.

I should like to refer now to an article written by the Hon. Frank Oliver. If there is anyone who should know about conditions in the Northwest, it is he. He was a pioneer in Edmonton. The house that he had when he first went there was so small that one would not think it possible to get a Cabinet Minister out of it. He was Minister of the Interior for some five or six years, and it was under his regime that the Northwest filled up so extensively, thanks to the spade work that had been done by Sir Clifford Sifton. Mr. Oliver wrote a remarkable article, which I am sorry to say I have lost. It was published in 1929, at about the same time as the other article to which I have referred. He said that no more wheat growers are required in the Northwest, and he warned that if we kept on producing wheat in increasing quantities there would be a surplus of which we could not dispose. He referred to the common cry that we must have more population—that we must put more people on the land, and he quoted the words of that famous railway builder, James J. Hill: "Land without people is a wilderness; people without land are a mob; therefore put the people on the land."

That might have been good logic thirty or forty years ago, when J. J. Hill was in his prime, but to-day the conditions are greatly changed, through the use of gas-driven implements. Mr. Oliver pointed out that if population would make a country rich, China should be immensely wealthy, for it has a population of some 400 millions. For the same reason India should be one of the richest countries in the world. But it is quality of population rather than quantity that is needed. If we bring people from other lands to this country it should be to make Canadians happier and not to provide Canadians with keener competition in labour.

On the 22nd of November, 1929, the Montreal Herald published an article which has been widely quoted, especially in the Northwest. It was entitled, "Wheat Pool Defies Creation." I should like to place on Hansard the thoughts it expresses.

Let no man imagine that this mighty drama of the wheat now being staged by the Canadian Wheat Pool is a harmless little by-play between sellers and buyers, of no partic-

ular consequence except to those immediately concerned. It is something more than that. It creates a situation packed to the brim with dynamite, which in the fulness of time may explode with catastrophic effect. The inference of the leaders of the Canadian Wheat Pool is that Canada has attained such a position in the wheat-growing industry that she permanently dominates the world's markets, and that as the Pool is the sole selling agent for a majority of the Western growers it can henceforth dictate the world price of wheat. Both assumptions are the vainest of delusions. The Wheat Pool can no more permanently achieve its object than it can stay the planets in their courses.

Momentarily the Wheat Pool has given a delusive demonstration of its power by holding up the natural flow of wheat to Europe. It has reduced the mightiest river of its kind to a trickling stream. But back of the dam it has erected, the great flood of wheat is gathering power, and not one watershed alone, but the watersheds of all the earth are contributing to the ocean of wheat which will sweep away this man-made barrier. Let them keep that barrier intact a day too long, and Canada will be strewn with wreckage by the devastating torrent that the Wheat Pool is creating.

At this very moment wheat is germinating in the spring in other lands; it is approaching maturity in the summer suns of others; it is being harvested in still others where autumn is approaching. The stoppage of the flow from Canada has but stimulated the flow from elsewhere, and should that flow from other sources suffice, as conceivably it can be made to do, the Wheat Pool, preparing a feast, will be confronted by a tragedy.

This thing has been tried before. "Corners" in wheat have been effected, but Nature has always defeated them in the end. There is a story, "The Pit," by Frank Norris, founded on actual happenings when speculators in the United States have done just what the Wheat Pool is doing—dammed one of Nature's great life-streams in order to force prices to a higher level. Listen to this about the leading character in Norris's story—a man who had effected a corner in wheat and set a price below which he would not sell—a man who had his actual counterpart in life:

First in one place, and then in another, the new harvest was coming on the market. It was the brokers, traders and speculators who fought him now; it was the very Earth itself. Demand and supply, these were the two great laws the wheat obeyed. Almost blasphemous in his effrontery, he had tampered with these laws,

and had roused a Titan. He had laid his puny grasp upon Creation, and the very earth herself, the great mother, feeling the touch of the cobweb that the human insect had spun, had stirred at last in her sleep and sent her omnipotence moving through the grooves of the world, to find and crush the disturber of her appointed courses. The new harvest was coming in; the new harvest of wheat, huge beyond possibility of control; so vast that no money could buy it, so swift that no strategy could turn it.

The avalanche, the undiked Ocean of the Wheat, leaping to the lash of the hurricane, struck him fairly in the face. The wheat had broken from his control. For months he had, by the might of his single arm, held it back, but now it rose like the upbuilding of a colossal billow. It towered, towered, hung poised for an instant, and then, with a thunder as of the grind and crash of chaotic worlds, broke upon him, burst through the Wheat Pit and raced past him, on and on to the eastward and to the hungry nations.

Yes, it is a mighty, a murderous drama that is being played by the Wheat Pool in Canada. And even if, within the few short weeks in which it is possible, the spectre of famine overseas sends prices mounting to the Wheat Pool's mark, the momentary success will be dearly bought, for higher prices will precipitate a flood of planting in other lands, and competition on a mightier scale will face the Wheat Pool in the coming year.

That article was prophetic, and I am only sorry to say that the prophecy has apparently come true. The Western Wheat Pool has decided on an initial payment of sixty cents per bushel on this year's wheat crop. This very same wheat the farmer can sell in the open market for ninety cents or a dollar. It is a hard test of loyalty that the Wheat Pool is giving to its members, a test the result of which will make or break the organization.

Why conceal it? The brokers, the traders, the speculators, have made up their minds that as long as there is a Pool, they will get their wheat elsewhere if possible. We cannot get over that situation. I dare say the banks meant well, but in their anxiety to secure the business of the Pool, I think they did the Pool a very great wrong by advancing it money with which to speculate and keep up the price of wheat. Would not the Pool and the members of the Pool have been better off if the banks last year had said, "Take \$1.40—nay, take \$1.30 for your wheat"? Then the provinces came to the rescue and made matters still worse.

Hon. Mr. McMEANS: Is the honourable gentleman sure that they would have got \$1.30 or \$1.40?

Hon. Mr. CASGRAIN. At that time wheat was selling at \$1.30. They have had

to pay the storage and insurance, and they have lost the interest.

Hon. Mr. McMEANS: I think the honourable gentleman is mistaken.

Hon. Mr. CASGRAIN: This is a free country, and one can think as one likes.

Hon. Mr. McMEANS: My honourable friend should not misinform the House.

Hon. Mr. CASGRAIN: Now I turn to South Africa. I do not know whether honourable members of this House are aware of the prodigious development that has taken place in that country. As you know, the equator divides South Africa just about in half, and in the southern part of Africa the Empire has increased its area by one-eighth within the past few years. Lord Melchett said the other day that there were 14,000,000 square miles in the British Empire—I had always thought there were 15,000,000—but that since the war, through the accession of the German colonies and some other lands that have been taken in, including Tanganyika and Western South Africa, some 2,000,000 square miles have been added. Therefore, since the war, the British Empire, I am proud to say, has actually increased its area by one-eighth. So with the sinking of the German fleet at Scapa Flow the war ended pretty well for the British Empire, although at first it was said the British had bungled.

To give you some idea of the wealth of South Africa I may tell you that half of the gold of the world, 90 per cent of the diamonds, and all of the radium used in the world to-day, come from South Africa. It may be interesting for you to know that although the cost of production has been millions, there is to-day just a little over one pound of radium in the whole world. Half of the cobalt of the world comes from South Africa; the other half from Canada. People have a wrong impression of South Africa because they generally see only the seashore and the shores of the rivers. Natal, Mozambique and Angola are the places where the jungles are located, and the tropical vegetation grows, and they are only the fringe. The central plateau is about 3,300 feet high. On that plateau there is beautiful land and the climate is cool; in fact, in winter it is much too cool for the negroes.

The cause of the change in South Africa was the finding in 1870, by a child, of an alluvial diamond on the shores of the Orange river. People were attracted to the place by the opportunity to secure most valuable stones, and in 1871 Kimberley was founded

and a dry mine established. Since then 90 per cent of the diamonds of the world have been extracted in that district. Kimberley grew very rapidly. The output of that mine being regulated, the shares of the de Beers Company, which controlled the mine, were for sale on the stock exchanges of Europe, and also, probably, of the United States.

In 1886 gold was found near the site of Johannesburg, and a city grew up with mushroom rapidity. The camps were replaced by good buildings, and within a little while there were a race-track, golf courses, fine hotels, and so on. In forty years more gold has been mined in South Africa than had been extracted from the earth since mining first commenced. That will give you some idea of its value.

I draw attention to these things so that we may be prepared to meet that competition.

Tanganyika, Kenya and Uganda are splendid areas in which to grow tobacco. The British Government has granted a preference on tobacco of two shillings a pound, which is nearly double the price at which tobacco sells anywhere. When the Hon. Stanley Baldwin was in this country he was reminded of this, and was told about Canada starting to grow tobacco. At that time there was a considerable boom in the tobacco growing industry on the shores of Lake Erie. Tobacco growers were brought from the United States, houses were bought for them and their families, and good wages were paid; but somehow or other the tobacco growing was not a success. To-day I had the pleasure of meeting Mr. Tolmie, Prime Minister of British Columbia. I told him of this preference, which would bar out of England all the tobacco from the United States. There is no fear of too much tobacco being grown for years to come, and if the Government is looking for something to help employment and farming, the Minister of Agriculture would do well to look into this matter. I remember that twenty-five years ago L. P. Brodeur, who was Minister of the Interior, started a campaign for the growing of tobacco in the county of Montcalm. Would you believe that good land increased in value to \$2,000 an acre, and that even with land at that price money was being made in the growing of tobacco?

Hon. Mr. DANDURAND: Tobacco was 7 cents a pound then. Now it is 35 cents.

Hon. Mr. CASGRAIN: And the growers were making money.

In Katanga, in South Africa, huge deposits of copper have been found. But copper is not of much use without transportation, and

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it is not easily transported; so a railroad was constructed into that country. Then it was found that coal could be got at Elisabethville, near by, and the copper could be smelted right there. To-day there is railway communication from Elisabethville to Capetown and Beira, on the strait of Mozambique, which separates East Africa from Madagascar, and to Dar-es-Salaam, which is in Zanzibar. Zanzibar is the colony that Germany exchanged with England—much to her regret, I am sure—for Heligoland. Then there is communication by rail with Angola and the Belgian Congo. So to-day Elisabethville is really a railway centre, whereas in the old days when Stanley and Livingstone went there we thought that they were absolutely lost in a wilderness.

Furthermore, Africa possesses the Victoria Falls, which are 400 feet in height, where power can be developed for the operation of its stamp mills.

If you look at the map of South Africa to-day you will see none of the white spots that used to appear, which were the joy of school children because it was easy to study the geography of those parts. Now nearly the whole of South Africa is painted red, the colour in which our great Empire is shown on the map, and that is where this increase of one-eighth in the area of the Empire has taken place.

The yearly output of the mines of South Africa is some \$300,000,000, and of agricultural products about the same amount. Wool alone brings in \$80,000,000 a year. Now asbestos has been found in South Africa; also potash and phosphate. In the Witwatersrand there has been produced over five billions of gold, almost twice the amount of the debt of Canada; or \$700,000,000 yearly. The diamond industry has been well regulated so that the market would not be glutted. Radium has been kept a dark secret. The price of radium is kept up, even at the risk of preventing the cure of people suffering from cancer.

A wonderful pamphlet was published by the Canadian National Railways a year or two ago, in which it was stated that our mines would probably bring in more money than our crops. I cannot say as to that.

Though there is coal in South Africa in large quantities, it is not as good as the British coal, as it contains only 50 to 70 per cent of the calories contained in the British.

Now, leaving South Africa, I should like to deal for a few moments with the subject of immigration—and with this I will conclude.

I must say that I approve entirely of the present Administration's new policy of preventing any more immigration to this country. We have not work enough for our own people. Why bring in more people at the present time? When conditions improve it may be all right to bring in immigrants again, but for the moment I think the Government is absolutely right in keeping them out. I know the Minister of Labour will not disagree with me in that.

Here are some suggestions that I should like to make.

(a) Suspend all immigration from Central Europe and from the so-called preferred countries, except in the case of a wife rejoining her husband who has settled in Canada, or of children going to their parents, or of aged fathers or mothers to their children living in Canada. Of course the Immigration Department would have first to ascertain by an investigation whether the men asking for a permit for their wives and children to come out to join them are in a position to keep them.

(b) There is no need whatever of importing farm hands for the Western harvest, and especially nowadays, with the labour-saving farm machinery in use. We have in the East an ample supply of men who are only too willing to go west for the harvest, and then return to their homes with a good sum of money, which remains in the country. The practice of bringing in farm hands, whether from Central Europe or elsewhere, for the Western harvest, has in a large measure contributed to create the present crisis. It is obvious that farmers, once their crop has been gathered, have no further use for these strangers, who, having no homes to go to, necessarily crowd into the cities and become public charges. The Canadians, on the contrary, when their work in the West is completed, either become settlers themselves or return to their homes, so that the Western harvest benefits both East and West, including the railways, who transport 40,000 to 50,000 harvesters from East to West and return.

(c) In view of the legislation which is to be introduced regarding old age pensions, etc., it is highly desirable that some system of identification should be devised, whether by issuing identification cards or otherwise. Every country finds it necessary to protect itself by insisting on the registration of its inhabitants, and Canada has reached a stage when some similar protection has become necessary. It is no secret that there are some dangerous elements in this country, and a system of registration or identification would considerably hamper their propaganda.

(d) It would also greatly facilitate the deportation of undesirables. The present procedure for deportation is too complicated. The sentence of the judge, condemning an undesirable to imprisonment, should suffice to cause the deportation of the prisoner, without any further proceedings.

(e) Lastly, with regard to British immigration, it has been conclusively proved that assisted immigration is a failure. It was an expensive experiment, which I trust will not be repeated. Far better to have but a few immigrants who come of their own accord, and with sufficient means to make a start, than to import thousands who become a burden to the country, many of whom have to be deported, and return to their homes in England to give Canada a very bad name. Let the transportation companies charge a reasonable fare, and let every one pay it in full. This limited immigration would cause a considerable saving in the Immigration Department. One branch alone, the Women's Branch, which is costing an enormous amount, could be greatly reduced, for it was created solely on account of assisted female immigration. The Land Settlement Department, with its numberless officials, field inspectors, appointed to shepherd the assisted British immigrant, as if he were a helpless child, could be practically done away with, for the unassisted immigrant would need no shepherding.

When an immigrant becomes a public charge he should be deported without delay, whether he is in a public hospital or in a private institution, such as l'Hôtel-Dieu, or other institutions that are not public. As long as immigrants are in a private institution they are not considered a public charge. The Immigration Act at present requires that the immigrant must be a charge to a public hospital; he is not deportable if in a private hospital. This is manifestly unfair to private institutions. Orphans should not be admitted unless over 17.

I should have liked to speak of some other things, but, as I think I have occupied enough time, I shall take them up on some other occasion. One of these topics is the increased cost of the League of Nations to us in this particular year. Another subject is the stopping of the importation of gasoline, and the manufacturing of our own fuel for our motors, which can easily be done. I should have liked also to discuss the wonderful tour that the honorable senator from Montarville (Hon. Mr. Beaubien) made in the Maritime Provinces, especially in New Brunswick, where he seemed to upset altogether

the people of the northern part, making them change their allegiance from the Liberal party to the Conservative party. If he were here I would make him a proposition, but I will leave that for some other time. I thank this honourable House for their kindness in listening to my remarks.

Hon. G. D. ROBERTSON: Honourable senators, may I briefly join those who have spoken in extending sincere congratulations to the honourable member who moved the Address (Hon. Mr. B nard) and the honourable member who seconded it (Hon. Mr. Taylor). Both these gentlemen have been sitting in this House for a number of years, and are well known to us all, and their ability is beyond question.

I desire also to join most heartily in the congratulations that have been extended to our presiding officer on his accession to the high and honourable position of Speaker of this Chamber. I had the privilege and pleasure of being associated with him some years ago as a member of a former Cabinet, and I know something of the courtesy and care with which he did his work, and the capacity which he showed in his administrative duties. He having been Deputy Speaker of the House of Commons in years gone by, I am sure that as time goes on we shall all be delighted with the service he will be able to render as Speaker of the Senate.

To my honourable friend who has just taken his seat (Hon. Mr. Casgrain) may I say a word or two in reply, although not intending to tour the world as he did; for I am afraid that to attempt to keep up with the quick survey he made of world affairs would require too rapid a pace for an old man like me. His review was intensely interesting to me, because it indicated the great fund of knowledge possessed by the honourable gentleman concerning many countries, but at the moment I am too much concerned with the welfare of our own country to enter into the discussion of world-wide affairs.

My honourable friend referred to the desire, in which he concurred, that immigration into Canada should be curtailed. Perhaps he has not yet read of some of the things that have been done just recently, and I would call his attention to the fact that within the last few weeks assisted immigration from anywhere in the world has been absolutely discontinued, that immigration from continental Europe, or countries known as preferred countries, is almost obliterated temporarily, and even from the British Isles immigration is greatly curtailed, because it is not fair to encourage immigrants to come to

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Canada at this time, when we have a couple of hundred thousand Canadians who cannot find employment. For this reason the Government has within the last few weeks taken this first step, in the confident expectation that it will succeed at an early date in greatly minimizing the unemployment that unhappily exists in this country at the moment.

It is not my purpose at this time to discuss the measures that it is hoped will meet the present situation, because that discussion should take place when the measures themselves are before the Senate; but I have felt that it might be of interest to the House, and helpful to all the honourable members when we come to a discussion of those measures, that in the meanwhile, as we are not burdened with work at the moment, but are awaiting legislation from the House of Commons, I should give a brief outline of the conditions that led up to the present situation, and should discuss the policy of the present Government and its predecessors of the same political complexion in dealing with the problem of unemployment. The policy involves the Government's responsibility to the people, the interest of the people being placed first, and the rights of property second.

The policy which is being pursued is based on the solemn undertaking that was entered into by the Right Hon. Sir Robert Borden and signed on June 28, 1919. On the pledge then given on behalf of Canada the attitude of the Government over which he presided was based, as is the attitude of the present Government. I would call the attention of honourable gentlemen to the fact that after the great world conflict there was formed a determination, which was emphasized at the Peace Conference by the treaty that was made, that human rights should receive, internationally, a larger share of attention from public men than they had previously been given. Perhaps it is not generally known, even among our own people, but it is true that our then Prime Minister, Sir Robert Borden, played a leading part in bringing about that decision and in negotiating the terms and the wording of Part 13 of the Treaty of Peace. The task was undertaken by another gentleman within the British Empire, and the difficulties seemed insurmountable at first, until Sir Robert undertook to follow up the proposal. Finally he met with success. In the course of his remarks at the Peace Conference Sir Robert said:

It is possible that some of us would have framed the dispositions of the proposed Convention somewhat differently, but the main purpose, and after all, the great purpose, in respect of this Convention, as in respect of the

League of Nations, is to secure the adhesion of the different states to an arrangement which will tend to the welfare of humanity in the future.

The amended text of the Labour Part of the Peace Treaty was submitted by the Canadian Prime Minister, and was unanimously adopted, and under this wording the High Contracting Parties recognized that the well-being—physical, moral and intellectual—of industrial wage-earners is of supreme international importance. They recognized that differences of climate, habits and customs, of economic principle and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment, but, holding as they did that labour should not be regarded merely as an article of commerce, the wording of the Peace Treaty as proposed by Sir Robert Borden and adopted in the Peace Conference, declared:

There are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit. Among these methods and principles, the following seem to the High Contracting Parties to be of special and urgent importance.

Perhaps it would do no harm to put on record a few clauses, because it is some time since that document was negotiated. It declared:

First.—The guiding principle above enunciated, that labour should not be regarded merely as a commodity or article of commerce.

Second.—The right of association for all lawful purposes by the employed as well as by the employers.

Third.—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Fourth.—The adoption of an eight-hours day or a forty-eight hours week as the standard to be aimed at where it has not already been attained.

Fifth.—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Sixth.—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Those were the first six recommendations, which were made at the instigation of the gentleman whom I have named, and which were unanimously adopted and became part of article 13 of the Treaty of Peace.

Hon. Mr. CASGRAIN: Did he have any children of his own?

Hon. Mr. ROBERTSON: He had sympathy for those who had children. Now, having signed that important document on behalf of

Canada, Sir Robert returned to Canada and proceeded to implement the promise by several early actions. The first one, which bore fruit, was that in September, 1919, after an inquiry had been conducted by a royal commission into industrial conditions in Canada, there was held in this city, on the invitation of the Government, a conference participated in by employers and employees, by representatives of the Dominion Government and the Provincial Governments, representatives of Canadian agriculture, and the Union of Canadian Municipalities. Some 200 men sat down together and remained in session for five days, and several interesting and useful results flowed from that conference. At its opening, to indicate the attitude of the leader of the Government of that day towards this great question, Sir Robert Borden sent the following brief message:

Industrial development and supremacy have sometimes been purchased at a price greater than any people can afford to pay. I am speaking not of conditions in this country, but of those which, to my knowledge, have prevailed elsewhere. The physical degeneracy of a considerable portion of the population is too high a price to pay for domination of the world's markets. If in any lines of industrial development we cannot hold our own without so terrible a sacrifice, then such lines ought to be abandoned and our effort directed elsewhere. Labour is something more than a commodity. The physical well-being and the moral welfare of the people should go hand in hand. Standards of living which are regarded as satisfactory in some industrial communities of the world cannot be tolerated in this country. The employer, if he is wise, will concern himself with all the recommendations and suggestions laid down in the Peace Conference as to hours of labour, sanitary conditions, protection of women and children, and the general welfare of the labouring man. There can be no permanent or satisfactory industrial development which is not founded on the welfare of the labouring population which maintains it.

That brings us to the point where a policy touching the Government's attitude towards the welfare of the people, particularly the wage-earners, was laid down, nearly eleven years ago. Then the Government took other steps to carry out and implement that policy. I remember very well that in the fall of 1919, I think it was, the Government of the day appropriated some \$20,000,000 for a particular purpose. What was the purpose? To assist in providing employment through aiding the provinces and encouraging them to build highways. That amount was to be spent over a period of four or five years, I think, and was the beginning of a splendid system of good roads, which has gone far towards completion and perfection during the last ten years.

Further steps were taken—such as providing funds in substantial amount for the promotion of technical education, and so on—all based on the principle that a new era had arrived when the Treaty of Peace was signed. The nations who participated in and signed that treaty have decided that the policies on these questions should henceforth be somewhat different from what they had been before.

In the fall of 1920 there swept over Canada, succeeding a similar movement in the United States, a wave of industrial depression, and, having in view the star towards which Canada's eye had been set when it signed that document to which I have referred, the Government voluntarily came forward, pointed out to the various provinces that there was likely to be a rather serious unemployment situation in the approaching winter, and offered to them, in advance, co-operation and aid to cope with the situation when it arrived. On the 14th of December, 1920, such an offer was put into writing, and on the 24th of January, 1921, half a million dollars was available. Provision was at once made for the distribution of that sum through provincial and municipal channels, as needs arose, and serious suffering was thereby averted.

Hon. Mr. FORKE: What happened in 1913?

Hon. Mr. ROBERTSON: I would say in reply to my honourable friend that 1913 was long prior to 1919, when the commitment was made by the Government representing Canada at the signing of the Treaty of Peace. The depression continued throughout 1921, and, be it said to the credit of the new Government that came into power at the end of that year, it continued during the winter the previous Government's policy; but in the spring of 1923 that policy was almost completely discarded. My honourable friend opposite (Hon. Mr. Dandurand), who was a member of the Government of that day, can probably best inform the House why such action was taken.

In September, 1924, a general conference was held at Ottawa on the question of unemployment. The sittings, which lasted a few days were attended by representatives of the Federal Government, the Provincial Governments, the municipalities which are named in the report that was issued at the time, the Canadian Manufacturers' Association, our great railroads, and railroad organizations, the Canadian Council of Agriculture, and the Trades and Labour Congress of Canada. The

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delegates sat down together to consider and discuss ways and means whereby employment might be stabilized and unemployment avoided. At the close of that conference a number of recommendations were drafted and unanimously adopted, but, for some reason unknown to me, they were never acted upon.

At that time the post-war depression had come to an end practically all over the world and there followed a general wave of prosperity, upon which Canada was borne in common with most other countries. But in the fall of 1928 the tide began to slacken. In 1929, while we were still receiving a constantly increasing flow of immigrants from Europe, there was a slowing up of the emigration that had been going on for nearly ten years from Canada to the United States. Thus there was being created here a steadily increasing supply of labour for which there was no demand, and this naturally brought about a serious situation. Then in the summer of 1929 the wheat crop was not very good in the West, and, to make things worse, it did not flow to the markets of the world as it had done in previous years; with the result that the Western farmers soon had their purchasing power reduced, and before long the whole of our population was affected in the same way. As my honourable friend (Hon. Mr. Casgrain) described it this afternoon, the purchasing power of our whole population was seriously weakened. One of the consequences was that among railway employees alone, 20,000 men, who were engaged only in the transportation of what others produced, found themselves out of employment. That employment was not regained during all last winter, and only within the last few weeks has there been any improvement in this connection, the improvement being due to the movement of this year's crop in a more satisfactory manner. The reduction in the purchasing power of those 20,000 employees affected the industrial and commercial activities of our people throughout the country.

In the early winter of 1929 a considerable number of requests were made to the Federal Government for assistance and co-operation in relieving the unemployment situation. For reasons which the Government of that time could no doubt explain, no help was given, and the result was that a large number of municipalities, particularly in the West, were subjected to such a heavy financial strain—and to some extent this is true of some of the provinces—that they are now unable to sustain their own unemployed population, as they did last year. As spring approached

and the savings of many of the unemployed became exhausted, the resources of numerous municipalities were being strained to the danger point and the demand upon federal and provincial authorities for aid became acute. I do not think that the federal authorities realized the seriousness of the situation until long after the time for action had come. My reason for saying so is that the right honourable gentleman who leads the Opposition in another place intimated a day or so ago that he would be unable to proceed with the discussion on the Address in reply to the Speech from the Throne until certain information had been laid on the Table. He asked for copies of all the correspondence that had passed between the Federal Government and the provincial and municipal authorities, and others, on the subject of unemployment.

In passing, I might pay my respects to that right honourable gentleman, for I do not want to be discourteous and fail to reciprocate. I believe he paid his respects to me yesterday, and expressed the opinion that it was a very serious matter for a Government to have a Minister, holding a portfolio, in the Senate. My only observation is that I believe the right honourable gentleman, who was Prime Minister for about eight and a half years, never had the support of a majority of the electorate of Canada, and the first Minister of Labour whom he appointed was not elected by the people. If it is improper that a member of the Senate who previously administered the Department of Labour for a few years during a rather difficult period should accept a similar responsibility at this time, when there seems to be another emergency, I must plead guilty. But I shall continue to try to do my bit to help Canada and her people through this period, in spite of the criticism of my right honourable friend.

The staff in the Department of Labour immediately set to work, and in twenty-four hours had the information which I laid on the Table to-day and which has been laid on the Table in another place; so we hope that no delay will occur in the consideration of the important question for which Parliament has been convened. In getting together the matter asked for by the right honourable leader of the Opposition in the other House, it occurred to me that if really unfamiliar with the present unemployment situation, he would perhaps be interested in having placed before him some information that must have come into the Department of Labour during

his regime. So I inquired for the records and one of the staff brought in three big bundles of papers, altogether a bulk as large as a man could reach around with both arms. I asked what it was, and was told it was the correspondence of last year on unemployment. Therefore it is difficult for me to understand how the right honourable gentleman could have been unfamiliar with existing conditions when he stated in Parliament, and afterwards, when he repeated throughout the country, that there was no serious unemployment.

I spent about an hour last night examining part of one of the bundles, and although I did not go through all the papers, I found a few things of interest. For example, I learned that the Canadian Legion on February 15, 1930, sent a strong appeal to the Government for aid, because of unemployment; and that the Province of Manitoba on December 30 last made representations in the same regard. A similar plea was made by the Manitoba Association of Unemployed Men on March 19, 1930, and the City of Niagara Falls on January 8. The Corporation of Chatham, New Brunswick, on April 25 appealed to the Government for assistance, and attached to their appeal was a public notice taken from the Chatham Gazette of April 14, which read:

A Special Meeting of the Chatham Board of Trade will be held in the Town Hall on Wednesday evening, April 16, at 8 o'clock.

The object is to again acquaint the Federal and Provincial Governments of the dire necessity of doing necessary public works that will to some extent relieve the present unemployment situation.

I found other appeals—I will not bother to give the dates of all of them, but they are here available if any honourable member desires the information—from the Town of Cobalt, the City of Saskatoon, the City of Windsor, the City of North Bay, the Municipality of Islington, the City of Sault Ste. Marie, the City of Toronto, York County, Fort William, Regina, Edmonton, Brandon, Calgary, another one from Toronto from the Diocesan Council for Social Service, one of the large church organizations in that city—the Manitoba Associated Boards of Trade, the Calgary President of the Amalgamated Women's Organization, the Mayor of Calgary, the Calgary Presbytery, the City of Hamilton, and the City of Montreal. In addition, I found that on February 3 the Government of Ontario offered co-operation to the Federal Government, but there is no indication that any reply was sent to this offer. It appeared also that thirteen labour organiza-

tions petitioned the Federal Government for aid between December 16, 1929, and March 4, 1930.

I was particularly struck with one communication that appeared in the file, because it came from the metropolitan city of Montreal shortly before the date on which the Prime Minister of the Province of Quebec declared that there was no serious situation existing there. The Prime Minister of Canada had intimated the same thing, but it seems that the people of Montreal did not believe that was true. I think I pointed out in this House at the last session that within about three days of the time the Federal Prime Minister had made his statement on the subject I personally saw 1,300 hungry men being fed in one of four institutions that were providing aid to the unemployed in the city of Montreal at that time. Certain organizations in the city of Montreal took exception to the general statements that had been made, and after having sent many communications to the Department of Labour they communicated by letter directly with the Prime Minister himself and bitterly complained against the Minister of Labour. Now, I want to say to this House in all justice to the Minister of Labour of that day, the Hon. Mr. Heenan, that there is ample evidence on those files to indicate clearly that he did not share the opinion that was spread abroad by the head of the then Government respecting unemployment. I saw in the Minister's own handwriting, on some of the documents, a comment that indicated he had made different representations to his colleagues. What I want to emphasize here is that there was a departure in permanent policy from what should be the attitude of government, according to the pledge given by Sir Robert Borden on behalf of Canada when the Peace Treaty was signed, with regard to the paramount question of human interests and rights. I cannot find the Montreal letter that I wanted to read, and perhaps it is just as well, because it was a scathing denunciation by people from my honourable friend's (Hon. Mr. Dandurand's) city, and signed, I think, by the representatives of four or five organizations there.

Hon. Mr. DANDURAND: Addressed to whom?

Hon. Mr. ROBERTSON: To the right honourable the Prime Minister.

Hon. Mr. DANDURAND: In what month?

Hon. Mr. ROBERTSON: I think it would be around March, 1930. It bears out what

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I have said to the House, and I should be glad to make it available to honourable members, if desired.

Hon. Mr. DANDURAND: Did my honourable friend find a copy of that letter in the Department of Labour?

Hon. Mr. ROBERTSON: Oh, yes. I might say to my honourable friend that the Prime Minister's secretary forwarded it to the secretary of the Minister of Labour, and apparently it was placed on file without even an acknowledgment having been made from any source.

To my mind, honourable senators, it was an amazing thing that in the light of reports on unemployment received from citizens and municipalities all over Canada, and even from provinces, the Government should have taken the attitude it did at the last session. The late Government stated that it was not responsible even if there was unemployment. I should like to reassert here my contention that the Government was obligated, under the Treaty of Peace, to take notice of a serious situation of that sort; that it should have rendered aid to municipalities and others who were caring for the unemployed, and not have stood by without attempting to alleviate the suffering that existed last winter.

There were more men unemployed in Canada in July of this year than there were in January, and I ask you to appreciate the situation that now faces the Government. Because of unemployment during last winter many people have exhausted their resources—many have also exhausted their credit—and they find themselves facing another winter without employment. Furthermore, some of the municipalities who tried to do their bit and keep their unemployed from suffering last year find their resources so depleted that they are in serious difficulties. So I ask you in all earnestness to consider most carefully and sympathetically the measures that will be introduced here in a day or two, looking to at least a temporary alleviation of distress, in the hope of ultimately finding, through further research and observation and study, a more permanent cure for this terrible calamity. I say "calamity" because it is a calamity to the men affected. There is nothing in the world that is of such concern to the wage-earner as his job. If a man has employment he can meet his obligations to his dependents; if he has not, he soon becomes quite a different citizen. He feels that he has a grievance, and turns against society, against the Government and against industry, and before he or his dependents suffer seriously he is apt

to take steps to try to remedy the situation himself. Now that a second winter is approaching, through which thousands of people in Canada may have to pass without employment, the situation must be met fairly, not only in justice to the couple of hundred thousand people who are to-day without work, but in justice to Canada, if she is to discharge her obligations and duties. Therefore if the documents which have been laid on the Table to-day are not sufficiently complete to give honourable gentlemen opposite all the information they require, I shall be delighted to submit to them for inspection this volume of appeals that came to the late Government, in order that they may be convinced that the need is genuine and that the situation must be met, and met promptly.

Hon. Mr. DANDURAND: My honourable friend has invited requests for further information. I have not had time to peruse the documents that he has laid on the Table. He presents two aspects of the situation—the past and the present. Of course the past is history, and as such may have its value, but to me the present needs and the ways and means of meeting them represent the task of the day. As to the past, my honourable friend would have given us a fairer picture of the whole situation if while speaking of the responsibility of the Federal Government he had given us some statement of the action of the municipalities, who are primarily interested in the welfare of the people within their borders, and the action of the Provincial Governments, who should be the first authorities to be called upon to help the municipalities of their own creation. I said in my speech of yesterday that the first duty of the municipalities is to attend to the needs of their people, and, if they cannot cope with the situation, to call upon the province for help; then, if the problem becomes a national one, and further help is needed, the province should turn towards the federal authorities. This is the principle that governed the action of the late Government. This principle was reiterated before the last election. It was followed in the crisis of 1921-22-23, and I think it is a sound one. If it is represented that the situation is such that the federal authorities should intervene, I am ready, of course, to consider the matter with very great sympathy. We are all agreed, I think, as to what we should do in such a case. I rose merely to say that a partial statement as to the undischarged obligations of the Federal Government is not entirely fair or satisfactory, because there are two other authorities, namely the municipi-

palities and the provinces, that have a primary duty to perform. I know what we did in 1922, when the late Administration came into power. My honourable friend said that we followed the lines laid down. Probably action was suspended in 1924 because unemployment had largely disappeared. I simply reiterate that whatever proposal is presented, based upon fact, will receive the greatest measure of sympathy when it is brought here.

Hon. J. S. McLENNAN: Honourable members, I should like to take a moment or two to suggest that it would be well for honourable gentlemen to read over very carefully what has been said about Russia by the honourable senator from De Lanaudière (Hon. Mr. Casgrain). I have no first-hand knowledge of the subject, but recently I came into contact with more persons than one who had that knowledge, and I was amazed at what I was told of the industrial revolution that has taken place in Russia. Experts have been brought in from other countries, and farming is being conducted on the grandest scale, with unlimited money and unlimited machinery. Under the peculiar system of government in vogue in Russia, it has a control of labour such as no other country has, such as no other country at the present time wants to have, and such as no other people would tolerate, and within the next few years they will produce vast quantities of wheat.

Furthermore, the great forests of Russia, which were the private property of the Grand Dukes, have been admirably cared for and are now available for the production, by forced labour, of great quantities of pulpwood. Some of this has already reached our shores. Also, in the neighbourhood of the Black Sea, new coal fields have been discovered, which produce coal that I am told is of the highest quality. That coal, as we know, has, I regret to say, already come into the Canadian market to some degree.

Hon. Mr. CASGRAIN: Six hundred thousand tons in Montreal.

Hon. Mr. McLENNAN: I did not know it was as much as that. I do not say that we should try to stop this production of coal or anything else, but the people of Canada should not have any delusions as to the new conditions; and I would call the attention of the Government to the advisability of keeping in touch with what is going on in Russia, by whatever means are available, so that the competition which is sure to come will do us the minimum of harm.

On motion of Hon. Mr. McMeans, the debate was adjourned.

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: I had promised to make a statement to-day, if possible, with regard to the work of the current week. I know we should not like to have anything sent to this House while we were not in session. I cannot promise anything definitely, but the best information I can secure is that there will probably be some legislation that will require our attention on Friday. For that reason I will not move, as I had otherwise intended to do, the adjournment to next week.

Hon. Mr. CASGRAIN: I suppose we shall know definitely to-morrow. This is Wednesday. Will the other House sit this evening?

Hon. Mr. WILLOUGHBY: No.

Hon. Mr. CASGRAIN: So they will have only to-morrow to make progress. I am informed that there is going to be considerable discussion, and if the honourable gentleman could see his way clear to move the adjournment to-morrow, it would be appreciated.

While I am on my feet, may I ask whether there is any arrangement as to absentees during this short session?

Hon. Mr. WILLOUGHBY: When the time arrives the question of pairs will be taken up and considered. It is possible that I shall have some news to-morrow. We want to show a willingness to expedite any legislation that may come in at this very urgent session.

Some Hon. SENATORS: Hear, hear.

The Senate adjourned until to-morrow at 3 p.m.

 THE SENATE

Thursday, September 11, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

 THE GOVERNOR GENERAL'S SPEECH
 ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Bénard for an Address in reply thereto.

Hon. L. McMEANS: Honourable senators, one of my main reasons for moving the adjournment of the debate was that I might
 Hon. Mr. McLENNAN.

have an opportunity to congratulate His Honour on his preferment to the high office of Speaker of this House. As has been said by the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain), you, sir, represent the best traditions of the French Canadian race. You have been persecuted and have suffered for your opinions, and now you have your reward. I venture to say that among the many prominent men who have occupied the Chair in this Chamber you will rank in one of the first places.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McMEANS: I desire to congratulate the mover of the address, my colleague from St. Boniface (Hon. Mr. Bénard). He has been well known to me for a great many years. The city he represents is sometimes called the Holy City, but whether that is on account of his connection with it, I am unable to say. It was a pleasure to listen to his speech in his native tongue. I should also like to tender my compliments to my honourable friend from New Westminster (Hon. Mr. Taylor). He is an old member of this House and always delivers a speech full of interest and information.

May I extend my congratulations to the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain). He certainly has earned the reputation of being a walking encyclopedia, for if there is anything you want to know he is always able to supply the information. I regret, however, that he should have taken occasion to allude to some doubtful points in connection with the siege of Quebec. I thought his reference to them was in bad taste. He intimated that some English settlers left the city of Quebec because a fight was going on, and that the French people remained to face the enemy.

Hon. Mr. CASGRAIN: Those who left had been asked to go.

Hon. Mr. McMEANS: I do not know what the honourable gentleman meant when he made that statement; whether he desired to re-introduce into this House the question of race. As I say, I thought it was in bad taste, and especially so since we all know that very different explanations are given by different historians with regard to some of the things that took place around the period to which my honourable friend was referring. However, we will let that pass.

Hon. Mr. CASGRAIN: You had better.

Hon. Mr. McMEANS: I believe that the late Sir Wilfrid Laurier and the Right Hon.

W. L. Mackenzie King missed a great opportunity when they omitted to take the honourable gentleman from De Lanaudière into their Cabinet, because if he could advertise Canada as well as he advertised South Africa, we should certainly be the gainers.

As we are not very busy in this Chamber for the time being, it may not be amiss to review briefly the recent election, for it is possible that we may thereby learn something that will guide us in the future in legislating for the benefit of the country at large. In my opinion, the election was one of the most important that ever took place in the Dominion of Canada. Important issues were at stake, and the then Prime Minister announced that we were at the parting of the ways. Well, I am one of those who rejoice that there has been no parting of the ways, but rather a joining together. The late Government opened its celebrated campaign in the city of Brantford, with an address by the late Prime Minister, which was broadcast by radio over the whole Dominion. All our people from the Atlantic to the Pacific had an opportunity of hearing it and many other speeches in the weeks that followed, and great interest was manifested throughout the country. Great crowds packed the halls wherever important meetings were held, and the people who were unable to gain admission went to their homes, or the homes of their friends, and listened in by radio, in common with their fellow citizens all over Canada. The issue was clearly stated to voters in every city, village and hamlet, and on the farms. The right honourable gentleman who was then Prime Minister opened his campaign by stating that our people generally were prosperous and that the only unemployment existing was of a temporary nature. It did not take long for him to have his opinions changed when he was travelling through the Western Provinces and on the Pacific coast, for he then learned that he was not well informed as to industrial conditions in our land. So he changed his tactics, and in a desperate effort to secure votes he finally made promises entirely contrary to his declaration in Parliament that he would not give a five-cent piece to aid the unemployed in any province that had a Conservative Government. Before he concluded his campaign he offered to give dollar for dollar from the Federal Treasury to any province that would assist in taking care of the unemployed. Of course, the people of Canada did not swallow that sort of thing. The farmers, manufacturers, miners and labourers apparently knew the true circumstances

much better than did the leader of the Liberal party. When the last speech was radioed throughout the country from the city of Ottawa, the result of the election was a foregone conclusion.

In common with a large number of Canadians I was astonished—and I think the people of Quebec were more astonished than those of any other part of the country—when the right honourable gentleman who was then Prime Minister asked with a great deal of gusto, "Whom will you send to the Imperial Conference if you do not send Mr. Lapointe and me? Let Mr. Bennett name the man whom he will send from the Province of Quebec who is fit to represent Canada at the Imperial Conference." I do not know just how the people of Quebec felt about that statement, but surely they did not conclude that in the whole of their great province the lieutenant of the then Prime Minister was the only man fit or capable to go to the Imperial Conference as Canada's representative. The right honourable gentleman has now received his answer, and I think he has received it from the Province of Quebec. No wilder statement was ever made on a public platform in Canada than that made by Mr. Mackenzie King when he defied the Conservative party to tell him what man in Canada, apart from himself and his lieutenants, was fit to go to the Imperial Conference.

Hon. Mr. BUREAU: Did he use the word "fit"?

Hon. Mr. McMEANS: No; I am merely summarizing what I concluded he meant. What other conclusion can one draw? Can my honourable friend suggest any?

Hon. Mr. BUREAU: I understood you were quoting.

Hon. Mr. McMEANS: I am quoting, in effect. He said, in effect, "Let Mr. Bennett tell you whom he will send from the Province of Quebec to the Imperial Conference." I hope my honourable friend is satisfied that that matter is settled, and that the people now know who will go to the Imperial Conference.

Right Hon. Mr. GRAHAM: Do they know?

Hon. Mr. McMEANS: Aside from that matter of the Right Hon. Mr. King's astonishing statement, perhaps the outstanding issue of the campaign was the May Budget, which was described by some people as a

smoke screen. It was heralded throughout the land as a cure for all the ills from which the country was suffering.

The United States of America, which had all along maintained a heavy tariff against many of our products, nearly doubled the existing duties, with the result that, while much of our wealth was going into the country to the south of us, a great number of our products were prohibited from crossing the border. I do not want to repeat that old argument about the \$900,000,000 of solid cash paid over to the United States for American goods, most of it being for our own material, which they had purchased raw and were sending back in a finished state. When their tariff was raised to such an outrageous extent against this country, the people of Canada naturally looked to the Government of the day for some method to relieve the situation. Surely, they felt, we were not to remain in such a position that the United States could take all we had without giving us anything in return.

Yet the then Prime Minister stated in another place that we must not put up a tariff against the United States, as it might offend them; that we must not retaliate, but must deal with them in another way. And he tried to mislead—if I may use the word—the great farming community of this country. He said, "So that you will not trade with the United States, so that you will not have to buy there, we are going to give such a preference to Great Britain as will enable you to buy your goods from England instead of buying them from the United States." The farmers and others interested in that matter could not understand how they would be any better off if as much money as they had been sending to the United States were to be sent in another form to England, and they were to get nothing in return.

The policy that the leader of the Conservative party preached in one part of the country was maintained in every other part. He made no statement in the extreme East that was at variance with any he made in the extreme West. He placed fairly and squarely before the people of Canada this proposition: "If we are going to give a preference to England, then we must ask that England do something for us in the way of purchasing our raw material, such as our wheat." That was the issue submitted to the people. The Dunning budget became merely a joke. Nobody believed in it, nobody could maintain it, once its fallacies were exposed. It was practically abandoned.

Hon. Mr. McMEANS.

The farmers of the West to-day are quite satisfied. They have come to the conclusion that a country like Canada must retain as much wealth as it can; that, with protection in effect on all sides, we must protect our own production, and that when in this way the country becomes wealthy, they also will participate in its wealth.

Something was said by my honourable friend from De Lanaudière (Hon. Mr. Casgrain) about the Wheat Pool. I do not think this is the place to discuss that question. I must confess that I do not know anything about it, and I think I may state without contradiction that the honourable gentleman does not know anything about it.

Hon. Mr. CASGRAIN: We are even.

Hon. Mr. McMEANS: Yes, we are about even in regard to it, but I would add that the honourable gentleman should not make statements in this House on a matter of that kind—which go out through the public press and travel all over the country—unless he is thoroughly conversant with the facts of the case. The statement that the Wheat Pool at one time refused to sell its wheat at \$1.40 or \$1.30 was made in another place, and was contradicted, I think, even by the honourable leader of the Conservative party, who said that he had information showing that the statement was not correct. My honourable friend from Brandon (Hon. Mr. Forke) will know something about the matter. I understand the Pool sold its wheat as soon as possible, and did not miss any opportunity of doing so.

What is the Wheat Pool, after all? It is an assembly of farmers who for their own protection sought to do away with the middleman and sell direct to the consumer the wheat produced by themselves, and in that way to save, as they thought, a great deal of profit made by the middleman and by others dealing in wheat. It must be confessed that they were contending against a very old established custom. Firms in England had been engaged in the grain trade for centuries. The buying of wheat was their main occupation. This new system of the Pool struck a hard blow at what we call the vested interests, and keen opposition arose against the Pool. But that does not affect the fundamental principle that the farmers have the right to obtain for themselves the very best prices they can get for the products of their industry.

When my honourable friend speaks about the Pool and such matters, he must be very careful in what he says, so that when his statements go to the people uncontradicted

they will not be misled into thinking that this Chamber has come to the conclusion that the Wheat Pool refused to accept \$1.40 or \$1.30 for its wheat. I think the honourable gentleman will pardon me if I urge him to be a little more careful in that respect.

Hon. Mr. CASGRAIN: I have no objection. The honourable gentleman says he does not know anything about it.

Hon. Mr. McMEANS: I do not think my honourable friend does either. Now I should like, with the permission of this House, to read a letter from a farmer. It was written, not with any idea of political effect, but just in the ordinary course of correspondence that took place between this man and myself. I wrote him about a farm, in reference to some business, and told him I thought the country was prosperous. I may say that this farm is in Saskatchewan, a long way out. The first part of the letter probably does not affect the matter. The letter reads:

In answer to yours of the 16th, I will certainly do my best for the land. I am endeavoring to get you a customer but there are so many vacant farms around that it makes it a hard proposition. They are advertising farms within five and six miles of Davidson for \$600 to \$800. This district has suffered the last four years from drought and frost. We have to close our school after this term, as the council has no money. Times are very bad around here; seldom a day passes but one or two men come and ask for a meal. I really cannot afford to give them, but I will not turn a man away hungry as long as I have a bit to eat. My brother wrote me from England. He told me he would finance me for seed and feed for another year if I wanted to try. As you say, it can't go on forever. One good crop would put me on my feet again, as I do not owe, only hospital and doctors bills. I have kept every expense down to what I could pay for, and have done without that I could not pay for.

I think that the Liberal Government are to blame for the country's condition at the present time. They have brought emigrants from Europe and dumped them on land that nobody can get a living off. There is a family a few miles from here; they are on a farm with only about 10 acres of good land on it; the rest is a big alkali patch—will not grow even grass. I was a Liberal for 16 years, but I cast a Conservative vote in the Provincial election, and I certainly will on the 28th. It's only the foreigner what can't talk English around here what's voting Liberal. When the farmers are all so hard up as we are, the country is bound to be having hard times. All we have to sell is low price; all we have to buy is high. Sir, I do not know whether you are Liberal or Conservative, but I state that the Liberal policy is simply rotten. If you are a Liberal, I do not say this to insult you. I really believe that Mr. Mackenzie King is a gentleman, (but) his administration is lacking the foresight which is necessary for the progress of Canada. There is no need for men to be begging for bread and work in this, the richest country in the world.

The resources and raw material which this country possess are tremendous. We only want a Government big enough to realize that Canada can lead and hold her own with the world. Canada don't have to toady to U. S. A. or any other country. Sir—excuse me, but I had to get this off my chest because of what you said in your letter. I will now conclude, hoping you will cast your vote for a Conservative Government and help the cause of the farmers.

I am getting some work to do and will try to pay taxes. Thank you.

Hon. Mr. CASGRAIN: What is his name?

Hon. Mr. McMEANS: Would you like his name?

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. McMEANS: I will give his name, but I do not know that I need put it on Hansard.

Hon. Mr. CASGRAIN: Put it on Hansard.

Hon. Mr. McMEANS: His name is Charles Haden; he lives at a place called Bladsworth, Saskatchewan; and I am glad to say that his hopes were realized.

Hon. Mr. CASGRAIN: He must have been very ignorant when he did not know which side the honourable gentleman was on.

Hon. Mr. McMEANS: He did not know me as well as my honourable friend knows me.

Hon. Mr. FORKE: A Liberal member was returned from that constituency.

Hon. Mr. McMEANS: Then the foreigners all voted for him.

Hon. Mr. LAIRD: No; the Liberal member was defeated. He was the Deputy Speaker of the House of Commons.

Hon. Mr. McMEANS: I think the late election, which, as I have said before, was the most momentous in the history of Canada, has taught us that the people of Canada are true to their traditions. In the late Parliament, with the exception of the member for Calgary, there was not one Conservative member of the House of Commons from any of the Western Provinces. To-day there are twenty-three Conservative members from those provinces. We now have a stable Government, a Government that has amongst its supporters representatives from every province in Canada. We have a Government that is not dependent upon any class or group, that does not have to consider whether the Progressives want this or the Labourites want that. It does not have to throw a sop here and a sop there in order to remain in power.

It need not set up a cry that the people should vote for it on any ground other than that of the policy it has laid down.

I think the result of the election in Quebec has been, above all, a great triumph for the Canadian people. I say the Canadian people because the rest of Canada was looking to Quebec. Quebec had a solid bloc, and, I am sorry to say, the cry of race and religion was raised there; but, thanks to the good sense of the people of the province, the late Government was not sustained. When the results were announced it was found that there were twenty-five Conservative members elected and that the Province of Quebec, which had previously sent to Ottawa a solid Liberal bloc, had returned to its old allegiance. I think that the election has taught us that there is a feeling of unity in Canada. If Canada is to be prosperous there must be unity among all the provinces. Quebec has shown by its vote that it is not again to be swayed by racial or religious issues, but will retain its place as one of the leading provinces of Confederation.

Hon. PASCAL POIRIER: Honourable members, I will not felicitate the mover and the seconder of the Address, although they deserve to be complimented, because that part of the programme is left to the leaders of the House, who have performed it well. I have only a few remarks to make, and they will be generalities. The Speech of His Excellency deals more or less with generalities. In that regard it differs not very much from other Speeches from the Throne since Confederation, though perhaps it may be said that it comes nearer than any of them to stating the purpose for which Parliament has been called. Our present purpose is to help those who have no job on hand; in other words, to come to the rescue of the unemployed.

From the statistics lately given by the Minister of Labour we learn that there are 200,000 men in Canada who are out of work. Well, there is nothing very alarming about that; nothing that I know of to cause us to wail or cry blue ruin. In all ages there have been, throughout the world, men who were unemployed; and to-day Canada stands in a better position in this regard than any other country, with the possible exception of France. The Gospel says, "The poor you have always with you." Possibly the word "poor" is meant to include the unemployed.

I compliment the Government upon having convoked us in special session to try to give relief to the unemployed. Not that I

believe we can find work for everybody. Great promises were made, and many of them, but honourable gentlemen know as well as I do that when a general election is approaching many promises are made that are too great to be fulfilled. In this respect the Conservative leaders have done no better and no worse than had been done before. It is not believed that this Parliament can give work to everybody, but it certainly will come to the relief of many. That is about all that we can claim or hope to do. No one is perfect, but everyone is bound to make efforts to reach perfection. No one believes that this Government can relieve everyone in need, but we have tangible proof that concrete efforts are to be made towards improving the situation, and that some results have already been attained.

One feature of this session that strikes me particularly is the good-will of Canadians generally. It is a wholesome sight to see municipalities and governments of all shades or colours that are willing, or apparently willing, to join hands with the Federal Government. There is a deep meaning to that. It means that the inhabitants of Canada are really Canadians; that we are cultivating a Canadian soul; that though one province is Liberal and another Conservative, though at Ottawa Tory succeeds Grit, or Grit succeeds Tory, nevertheless the idea of the weal of Canada prevails. We are making progress, honourable members—possibly healthier progress than we realize. Take the late election for instance. That election was conducted on gentlemanly lines. I have been a witness of all the elections since Confederation. It is not very many decades ago that votes were bought, liquor was circulated in large quantities, rough tactics were employed and fights took place. None of these things were conspicuous in the last election. If there were fisticuffs, they were the aftermath. This is a healthy feature, and, in my estimation, shows real progress, greater progress than that represented by any monetary gain, or any increase in the wealth of the country. We are building a solid Canada.

Not very many years ago, and even recently, I read in the papers that there was danger of the West seceding from Canada. Honourable members, I do not believe any such danger exists. I do not apprehend it from immigration of the proper sort: that is gold that is fused with our Canadian patriotism. The Americans who have come here in large numbers are to-day Canadians in their souls; or, if they are not, their children are or will be. The more we grow the more the Canadian

soul will develop and the more we shall turn towards what I believe is our destiny as one of the greatest nations of the world.

Hon. ROBERT FORKE: Honourable members of the Senate, it is with some misgiving that I rise to offer a few remarks, because I have no speech prepared and I really ought to have made some preparation before daring to address this assembly. But during the debate some remarks have been made to which I think I ought to make some reply.

I may be permitted to say just a word in regard to the Wheat Pool, and in reply to the honourable senator from De Lanaudière (Hon. Mr. Casgrain). The honourable member for Winnipeg (Hon. Mr. McMeans) has made the statement that the Wheat Pool is not a proper subject for this assembly to discuss; nevertheless I think it may not be uninteresting to deal with this subject and some other features of the grain situation in Western Canada. I hold no brief for the Wheat Pool. I was a member of the Pool for five years, and when my contract ran out I did not renew it.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. FORKE: But I have no criticism nor complaint to make regarding the treatment I received from the Wheat Pool, or my experience with it. I did have some fault to find with certain extravagant statements made by some of the officials; statements that I did not believe had a good effect upon the operations of the Pool in the world markets; but that has nothing to do with the principles for which the Pool was organized.

Anyone who has read the history of the marketing of the farmers' grain since 1882 will realize that one rampart after another had to be scaled before the farmers were able to get anything like a square deal in marketing their wheat. When I look back to those early years I sometimes wonder what the farmers of to-day would think if they had to go through the experiences that we went through in the eighties and the early nineties. At that time a farmer simply took his load of wheat to the village, where it was dumped into an elevator. He had very little choice in the matter of what he should do. If there was only one elevator he had to accept the price that was offered, and had no recourse of any kind. He could not market his wheat upon the cars; there were no loading platforms; and if he had any unpleasantness with the local wheat buyer he might be told to go somewhere else. He was entirely at the mercy of the trade. I do not find any more fault with that trade than with any other business,

but when one party to a transaction has all the power in his hands things do not work out very well.

Then came the loading platforms. If we did not like the elevator we could load over the platform into the car. That was the first great liberty the wheat grower enjoyed in the marketing of his wheat. I do not want to follow all the transactions that took place from then on. I think that conditions were more satisfactory than they had ever been before.

Still there was dissatisfaction—a feeling on the part of a great many that too large a profit was taken by the middleman, and that this could be saved and conditions bettered if the farmers themselves handled their wheat in large quantities. So the Pool was organized. It was organized not for the purpose of fixing a price at which wheat should be sold, nor with the object of controlling the market, but simply as a means whereby the year's product might be disposed of on a more satisfactory basis. Formerly, as soon as farmers had threshed their wheat they rushed it to the elevator, and the combined wheat crop of the three Western Provinces was offered for sale at one time, with the result that the market was depressed. The purpose for which the Pool was started was to regulate the marketing of wheat so that the supply would more nearly keep pace with the demand. That purpose, which I think was a good one, has been followed down to the present time, and it was successfully carried out until last year.

A good deal of misapprehension seems to exist in the public mind with regard to what happened last year. I might mention here a fact that is now pretty generally known, that the British Government had entered into an agreement with the Argentine Republic to buy their wheat and make payment for it with British products. It was felt by the Pool officials that the prevailing price was too low, and there is no doubt that wheat was held back to a certain extent. But were the Pool officials the only people who took such a line of action? Business men, private individuals and speculators did exactly the same sort of thing. A number of farmers in Western Canada who are not members of the Pool sold their wheat and bought futures, expecting, like everybody else, that the price would rise. Unfortunately everybody, including the Pool officials, guessed wrongly. There is no doubt that if the Pool had acted differently and thrown the wheat on the market, the price would have dropped and the Pool officials would have been criticized just as severely as

they have been. As a matter of fact, the officials have declared that at the time they were charged with holding back the wheat they were endeavouring to get rid of it at a price that would show a profit to the growers.

I do not think that the Pool can properly be criticized for trying to market the wheat in a satisfactory manner. Some farmers may have been under the delusion that an organization like the Pool can defy the fundamental law of supply and demand. So long as a brisk demand continues it is possible not only to sell goods but to make a profit, but you cannot sell goods for which there is no demand. I do think, however, that the officials and some of the organs of the Pool made extravagant statements concerning the benefits that a farmer would receive by becoming a member, and it may be that perhaps those statements created in Great Britain and some other European countries a sentiment that worked to the disadvantage of our wheat growers and sellers.

Right Hon. Sir GEORGE E. FOSTER: Will my honourable friend permit a question?

Hon. Mr. FORKE: Certainly.

Right Hon. Sir GEORGE E. FOSTER: I have been greatly interested in the frank and clear statement that has been made by my honourable friend. He has told us that after having had the experience of one contract period of five years with the Pool he decided not to contract for a second period, but in future to do his own marketing. My honourable friend is a responsible and intelligent farmer and we should like to know why he thinks he will do better by the change. Many of us have a certain degree of sympathy with the Pool. I for one have a strong sympathy.

Hon. Mr. FORKE: In reply to my right honourable friend I might say that I have never on any occasion, publicly nor privately, criticized in any way the Pool's actions.

Right Hon. Sir GEORGE E. FOSTER: No.

Hon. Mr. FORKE: My reason for deciding not to continue with the Pool is a purely personal one. At the end of my contract period I did not like the statements and actions of some officials of the Pool and some growers in Saskatchewan who were suggesting a compulsory pool, an organization which farmers would be forced to join if they did not join voluntarily. I disagreed with that attitude, and that is the only reason why I did not renew my contract. I had no dissatisfaction with the conduct of the Pool.

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I may say that I am a member of the Coarse Grains Pool, and my barley and other products go there. I have simply retained my personal liberty in selling wheat. I thought that some of the people who belong to the Pool were trying to infringe on personal liberty.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. LAIRD: That is the Conservative view, and I absolutely agree with the honourable gentleman.

Hon. Mr. FORKE: I think my honourable friend (Hon. Mr. Casgrain) is a little too greatly alarmed over the future of the small farm, and unduly optimistic about the prospects of mechanized agriculture. If honourable senators will pardon me, I should like to make a brief reference to my own experience. I use both tractor and horse-power on my farm, and I am inclined to believe that horses furnish as cheap power as tractors do, and that, at least for many years to come, tractors will not entirely supplant horses. As long as the price of gasoline remains at its present high level, I think Dobbin will continue at work on Western farms. From the time I was first elected to Parliament I have been of the opinion that large farms would gradually be done away with; that the trend was towards smaller acreages and more intensive cultivation, with the people living more closely together and no longer having to contend with the disadvantages that result from isolation. I take exception to the picture that is now often painted of a future wherein only large farms will have a chance of success. I believe that farmers will go back to the smaller units, and that wheat growing in Western Canada will be permanently successful only so long as it is carried on with other activities on the farm.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. FORKE: I believe that there is a good future for the farmer who operates in a businesslike way a small unit, say of half a section, and, in addition to growing wheat and other grains, carries on a certain amount of mixed farming. It is my belief that we shall always have that type of farm in Canada, and that if we had not we should be in a bad way.

I have read something about large-scale agricultural operations in Russia, where as many as 450 tractors are used on one farm and great forces of men are employed in the spring and at harvest time. These men, it

appears, are fed from caravans and are lodged in tents. Do Canadians look forward with pleasure to having farms of that type in our Western country? I hope not. I hope, honourable senators, that the West will be more intensively cultivated and more closely populated, for I am convinced that our farmers will be more comfortable and in better circumstances on smaller acreages.

Wheat growing will be carried on successfully in the future in the country that can produce most cheaply. In that connection we have many advantages in Western Canada, such as cheap land, suitable climate, and soil that will grow the best wheat in the world. As far as natural conditions are concerned, nothing can prevent Western Canada from continuing as a great wheat growing centre; but heavy transportation costs, high interest rates, and, if honourable members will allow me to say so, high tariffs, are some things that might work to the detriment of prosperity in the West.

Right Hon. Sir GEORGE E. FOSTER: May I presume to ask another question?

Hon. Mr. FORKE: Surely.

Right Hon. Sir GEORGE E. FOSTER: I got such a fruitful answer to the question that I propounded before, that I am encouraged to intrude upon my honourable friend's patience. I should like to have his views with reference to the competition from Soviet Government farms in Russia. I understand that in that country there are farms as large as 250,000 acres under scientific management; operated with the most modern machinery and supposedly under highly efficient supervision. If that kind of farming is successful, what effect will the resulting competition have on our Western farmers?

Hon. Mr. FORKE: I will answer my right honourable friend by saying that if our farms were divided into smaller units and we had more intensive cultivation, wheat would not be of such comparative importance as it is on the large unit farm. The farmer who operated on a smaller scale would produce a great amount of supplies for his own household, and therefore would not be so dependent upon the success of the wheat crop. Wheat growing, whether carried on in Russia or anywhere else, is to a considerable extent a gamble. I believe that the men who operate the smaller farms, with more diversified products, are in a better position than the large wheat growers in Western Canada today. The experiences of the West in the

early years revealed the disadvantages of large farms. I am sure many of my honourable friends opposite will remember the attempt to establish great bonanza farms, and the prophecy that the growing of wheat on a large scale would result in the elimination of small farms. Well, the small farms have been able to stay in business longer than the large ones, on the whole.

My observations are the result of my own experience and may be wrong, but I am unable to see how the large mechanized farm is going to transform the country in the way that many people appear to believe it will. It is my conviction that it would not be well for Canada if that did happen. Can honourable members picture a huge farm, occupying thousands of acres, with one man overseeing the whole thing and many labourers doing the work? Would such a farm be preferable to 100 smaller farms operated by independent yeomen, whose families were being brought up to prize the virtues of independence and liberty? To me the small farm presents a much more attractive picture than the other. We know what has happened to agriculture and the growers of wheat in the United States and Australia, and I think their experiences should guide us in our treatment of our own wheat growers.

The right honourable gentleman (Right Hon. Sir George E. Foster) has mentioned Russia. I have a newspaper clipping here which says:

Some of the farms are very large. One farm mentioned by the investigator utilizes 460 tractors operating in the busy season up to sixteen hours a day. Seeding required 2,500 men for a period of nine days, and 6,000 men are required for harvest. The employees live in tents and are fed from kitchen cars.

It is possible that for a few years the competition from Russia may be serious, but I do not believe there will be permanent competition, for it seems to me that the policy now being pursued in that country is not economically sound. Think of 6,000 men being used at harvest, and 2,500 for a period of nine days in the spring! What is going to become of those men during the rest of the year?

I want to say a few words in regard to immigration and unemployment. I am not going to offer an apology for anything the Department of Immigration did during the years that I was in charge of it, and I probably should not say what I am about to say if it were not that human memory is very short and political memory particularly so. Perhaps that is a good thing for the politicians.

In 1926 there was a strong demand all over this country for immigrants. Many of the mayors, manufacturers and publications that are to-day so outspoken against allowing immigrants to enter this country were at that time proclaiming that Canada needed immigrants to help pay our taxes and to make business for our railways. I think that the only classes among our citizens who did not have much to say in that regard were the labourers and the agriculturalists. There was an insistent demand that the volume of immigration should be increased, and for a time it was increased.

Will honourable senators excuse me for making a personal remark? May I say that from what I learned on two trips through to the Pacific coast, when I interviewed the Governments of the four Western Provinces, I soon realized that the demand for agricultural labour had about reached the saturation point. In 1928 I passed a regulation that during that year the number of immigrants coming to Canada from Central and Eastern Europe should be restricted to 30 per cent of the number that entered in 1927. If honourable senators will cast their memories back to the session of 1927 they will recollect that the Department of Immigration was subjected to strong criticism on the ground that it failed to bring in a sufficient number of immigrants. It was charged that it was almost impossible for a Britisher to get into this country; that the chief object of the Department seemed to be to exclude desirable applicants, and that absurd questions had to be answered before entry was permitted. I may be excused for feeling a little heat when I think of the criticism I had to endure at that session, while I was aware that we were receiving more immigrants than the country could absorb. In 1929 a further regulation was passed that during that year we would admit only 25 per cent of the number of immigrants from Eastern and Central Europe who had entered in 1928. In other words, for every 100 that we admitted in 1927 we would admit only seven in 1929.

Hon. Mr. DANDURAND: That is, from the Continent of Europe?

Hon. Mr. FORKE: From the Continent of Europe. Now, if that was not shutting off continental immigration about as fast as possible, I do not know anything about it. As I read the proposal of the present Government, I have no fault whatever to find with it, because I believe the Government is going

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just a little bit farther in the direction in which I was attempting to lead the country at that particular time.

I have read in the papers very strong criticism by some public men about the character of the immigrants who have been allowed to come into Canada. I quite agree with some of their statements, but I would ask honourable gentlemen to bear in mind that I was severely criticised for the questions asked on the examinations that those immigrants had to undergo before they were allowed to enter Canada. I know that one member in another place, one of the prominent leaders, made the statement that no self-respecting Britisher would answer such questions as were being asked. Those examinations were intended to shut out persons who were unfit, or were unable to make their way in this new country. No doubt, even with all those precautions, a good many came to Canada who should not have come.

Now conditions are altered. They have changed so rapidly that it has been pretty difficult to keep marching with the times. In regard to the employment of labour, changes are taking place every day. I have already spoken about mechanized industry on the farm. Even on the smaller farms the mechanizing of agriculture has reduced the number of labourers required. In 1928, I judge, one-third fewer labourers were required on Western farms than in 1927; and fewer men were needed in 1929 than in 1928. So did the demand for agricultural labourers decrease until it fell off completely and there was sufficient labour in the country to meet all requirements. A similar condition has developed in manufacturing—in industrial life. We know that one machine will do work for which ten men were required only a few short years ago. Such changes have entirely altered the labour situation. I have great sympathy with those who are trying to solve the difficulties that have arisen, but I do not think it is in very good taste to turn around and condemn the action that was taken a couple of years ago, when the demand was in the opposite direction.

I have heard of no solution of the problems that are facing the world to-day. Unemployment is a world condition. Take the present situation in Western Canada. On the whole, we have had a good crop in the four Western Provinces. While, no doubt, there are spots where there are crop failures and consequent hardship, we have a land overflowing with the products of Mother Nature. The trouble to-day is that we have too much. I have on my own farm a really good crop this year, and

I have no complaint to make, though I am not prepared to say that we had a prosperous year. So it has been all along the line: the farms have produced in abundance. Yet we are up against hard times, and poverty, and a situation that is very difficult to meet.

While I have great sympathy with the proceedings that are going on in another place, I must repeat in all seriousness, honourable gentlemen, that I see no solution for our problems at the present time. I have seen no prophet rise in Israel to show us the way out of our difficulties. But this situation cannot continue; the world cannot suffer because of plenty. There would really be no over-production if we had proper distribution. It is said there is too much wheat grown to-day; but there are to-day in the world hungry mouths that require feeding—there are people in want. I am far from being anything like a "Red," for I am rather conservative in my views of life, but I am convinced that there is something wrong, and it behoves all of us, forgetting politics if we can, to strive to find some solution.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend will not go so far as to say that there is no alleviation possible? The solution of the question may be far in the future, and most difficult, but surely alleviation is possible.

Hon. Mr. FORKE: Oh, yes, I think all things are possible. I have faith in the future, and faith in humanity, and optimism enough to believe that there is good-will enough to solve these difficulties.

Right Hon. Sir GEORGE E. FOSTER: What we are setting ourselves to find at the present time is what alleviation we can provide.

Hon. Mr. McLENNAN: On behalf of the honourable senator from Westmorland (Hon. Mr. Black), who has been called out, I move the adjournment of the debate.

Hon. Mr. DANDURAND: I would suggest that if there are in the Chamber any members who desire and are ready to speak, they should proceed now.

Hon. Mr. McLENNAN: I was under the impression that nobody was ready to proceed. I know that the honourable senator from Westmorland preferred that we should go on.

Hon. Mr. McMEANS: We shall not be busy to-morrow.

Hon. Mr. DANDURAND: I was not objecting to the motion. I simply remarked that if any members desired to speak, the debate might continue.

Hon. Mr. McMEANS: For another week.

Hon. Mr. WILLOUGHBY: My understanding is that we shall continue to-day as long as anyone desires to speak, then we shall adjourn the debate. I do not know whether anybody on this side is prepared to continue the debate at the present time. If nobody else wishes to speak, as I have no other matter to bring before the House, I would move the adjournment of the Senate.

On motion of Hon. Mr. McLennan, the debate was adjourned.

Hon. Mr. BELCOURT: Has my honourable friend any information as to the sittings of this House? What are the probabilities?

Hon. Mr. WILLOUGHBY: I am going to move the adjournment of the House till to-morrow.

Hon. Mr. CASGRAIN: That is Friday. Is it the intention to sit on Saturday?

Hon. Mr. WILLOUGHBY: No; at present there is no such intention.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Friday, September 12, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

UNEMPLOYMENT SITUATION IN NEW BRUNSWICK

DISCUSSION

Before the Order of the Day:

Hon. G. D. ROBERTSON: Before the Order of the Day is proceeded with, may I say a few words? A telegram came in a short time ago which concerns a couple of honourable members in another place, and in regard to which they suggest that I might make an explanation for the information of the people directly affected. The telegram is from one of the prominent newspapers in Saint John, New Brunswick, and says:

False report emanating from office of Minister of Labour to effect that only five hundred unemployed in New Brunswick. Looks

like attempt on part of someone to withhold our share of twenty million dollars voted to relieve unemployment. We are advised on good authority that at least two thousand unemployed in Saint John alone. Will you please co-operate in having false figures corrected? Would appreciate having assurance from you by wire that everything possible being done to see that Saint John and New Brunswick obtain share of relief at hands of Government. Would like to have your answer in time for publication this afternoon's paper.

The facts are these. On the 12th of August last every community of more than 10,000 people was invited through its Mayor to give the Department of Labour a picture of the existing unemployment situation and a forecast of what it might be by about the end of this year. Returns were received from the cities of the Province of New Brunswick, and the best information obtained from the city of Saint John was that the number of unemployed was 300 in the city and 500 in the province, but that as the season advanced the number would increase to about 2,500. This information, which is now somewhat questioned, was obtained from the Mayor of the city.

A telegram arrived yesterday from the Acting Mayor of Saint John, which reads as follows:

According to newspaper report estimate of unemployment in province is 500. This absolutely incorrect as after careful survey, we estimate there are at least 2,500 in this city alone. This will be very much increased by closing down of many public works, also of cotton and pulp mills, which will add materially to this number.

So if the information given out in another place as emanating from the Department of Labour is incorrect, the Department must disclaim any responsibility for it, because it was obtained in the proper way, through the chief magistrate of the city concerned.

Hon. Mr. MURDOCK: What would the honourable gentleman consider to be the extent of unemployment in New Brunswick, from the information he has at hand?

Hon. Mr. ROBERTSON: I have no right to consider: I ask for the information from the people in the locality or the province, as the case may be. The provincial representative who attended the Employment Service Council meeting in Ottawa on the 21st of August practically confirmed the information we had at that time. In my judgment, what is happening is that, as fall approaches, a substantial number is being added daily to the number of the unemployed in the Province of New Brunswick, and that the estimate which they gave, of

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roughly 2,500 this fall, is approximately correct. My honourable friend knows, of course, having been Minister of Labour, that it is not possible for one at this distance accurately to estimate the situation, but I should say that 2,500 is probably the minimum number of unemployed in that province now.

Hon. Mr. GORDON: May I suggest to the Minister that the number of unemployed ascertained by the inquiries made does not approach anything like the total number. The inquiries went out to towns or cities having 10,000 or more inhabitants. I know of small towns and villages in which there are large numbers of unemployed. For instance, in Nipissing, in all the small towns between North Bay and Sudbury the population is composed largely of men who work in the woods, either logging pine or cutting pulp for the paper mills. Most of these men, who are now idle, would not come within the scope of the inquiries that have been made. This class of labour, of course, is unorganized. I would suggest to the honourable Minister that he send out inquiries to all the small towns, if possible. If he does so he will find, I think, that there are several thousand more unemployed besides those of whom he now has knowledge.

Hon. Mr. BELCOURT: As I understand it, the unemployed my honourable friend from Nipissing (Hon. Mr. Gordon) speaks of are men who are waiting to go to the woods for lumbering operations in the winter, and whose condition to-day is no different from what it is any year at this time.

Hon. Mr. GORDON: No. On the contrary, I may say to my honourable friend, to be specific, that the mills of the Abitibi Paper Company, which are situated at Sturgeon Falls, Espanola and Sault Ste. Marie, will not take out one cord of pulpwood this year. We all know what that means. It means that these men are left at home idle. The pine operators this year will not lumber to the extent of more than 50 per cent of what their operations have been heretofore.

Hon. Mr. DANDURAND: From the phraseology of the telegram that my honourable friend (Hon. Mr. Robertson) has read, it would appear that the correspondent is somewhat afraid that New Brunswick may not get its share of the \$20,000,000, the granting of which this Chamber is to be asked to approve during this session. I would point out to my honourable friend that the provinces must turn to the Federal Government

and claim that they cannot cope with the situation; that it is no longer merely provincial, but has become a Federal concern. If New Brunswick is really in the happy position of having only 2,500 unemployed, it will not turn to the Federal Government and claim that it is unable to cope with the situation.

Hon. Mr. ROBERTSON: I did not intend to start a discussion at this time, but perhaps I shall be pardoned for making some further observations. I am quite sure it is not the Government's intention that the grant which is being made for the relief of unemployment is to be distributed on the basis of population. Assistance will be given according to the need as it may exist and appear in any part of Canada.

So far as the rural situation is concerned, it was quite impossible within the short time available to secure definite information from all the small municipalities. The Government desired to get as accurate a picture as possible in the few days within which the Department had to act, and that picture has been obtained. It has been represented that there is a great deal of unemployment in rural constituencies as well. That is unfortunately true in many instances, but there is also this feature, that the situation fluctuates. May I point out, along the line on which the honourable senator for Nipissing (Hon. Mr. Gordon) spoke a few minutes ago, that in certain parts of Canada 6,300 men were released from the lumber woods this past summer. I have in mind particularly the Province of British Columbia. Most of such men were absorbed in highway construction work within that province, chiefly in the interior, which they are attempting to penetrate with new roads. But that work, as also the appropriation under which it is carried on, is rapidly coming to an end. Therefore, while unemployment is bad enough in the city of Vancouver at the moment, thousands of men will be drifting into that city shortly, because there is no place in the interior of that great province for those men to stay through the winter months, and they will naturally gravitate to the coast. It may well be that in a centre like Vancouver there will develop a situation which will justify aid perhaps out of proportion to the population. The city of Winnipeg is another centre that in winter gathers men from the country districts all around. Rural municipalities may be practically cleared of unemployed people, who may drift into municipalities a hundred miles away, and may render more difficult the prob-

lem with which we are trying to deal. In my humble opinion, as I think honourable members will appreciate, it is not practicable to distribute relief for unemployment on the basis of the population throughout the country.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Bénéard for an Address in reply thereto.

Hon. F. B. BLACK: Honourable senators, before I go on with the few remarks I propose to make on the subject-matter of the Speech from the Throne, may I add just a few words with regard to the situation in New Brunswick, because they may clarify the matter in the minds of some honourable gentlemen. I had already seen a copy of the telegram that was read by the Minister of Labor, and I think I know what it means. The information which we had, and which was contained in the telegram, in regard to numbers of unemployed, was no doubt correct at the time that information was given. Up to a very short time ago the employment situation all over the Maritime Provinces was fairly satisfactory, I think, but about the middle of August a deputation of the lumbermen of New Brunswick, particularly those operating on Crown lands, appeared before the local Government and made the statement, which they substantiated pretty well—I happened to be there and listened to the argument—that unless some very material relief was received there would be 10,000 men unemployed this winter in New Brunswick; men who have ordinarily been employed at work in the woods. The reason why the Minister of Labour has been communicated with is because that information appeared in the press down there, and he has been advised that the situation is looking very much worse than it did a while ago.

I do not wish to go into the reasons, but anybody who follows the lumbering industry of this country from coast to coast knows that no company can operate on Crown lands with a profit; that a lumberman does very well if he gets the cost of his operation and does not lose his capital.

Honourable gentlemen, I want to join those who have already spoken in most hearty congratulations to the honourable gentleman who now occupies the presidential Chair in this Chamber. He deserved well of his country and his party, and my wish is that he and

his most charming wife may live long to occupy and to grace their very honourable position.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BLACK: The mover and the seconder of the Address both made excellent speeches, and they have both been so frequently congratulated on the quality of those speeches that I fear to add further praise, lest they may get "swelled head" and may want to talk all the time. Yet I cannot refrain from saying to my friend from St. Boniface (Hon. Mr. B nard) that he has been too modest in his quietness in this Chamber, and that in future we shall expect to hear from him frequently. As to my honourable friend from New Westminster (Hon. Mr. Taylor), I am always glad to hear him. I do not think the members on the opposite side of the House always enjoy it as much as I do. He always has something to say, and he says it in a very terse and satisfactory manner.

In the Speech from the Throne there is very little to discuss, and in view of the present situation, it is a good thing for the country that there is so little. In a very few words His Excellency describes the necessity for the assembling of this Parliament at the present time. When the proposals come to this Chamber from another place, there will be something for us to discuss.

It is true that the party now in power has always stood for protection, but in some instances, I regret to say, it has not instituted as high protection as I should have liked to see. It is also true that theoretically the party now sitting opposite the Government in another Chamber has been more or less the party of free trade, but in practice its members have been very much like those who sit on the right of the Speaker. Be that as it may, while I am perfectly free to admit that free trade may be the very finest thing that can be conceived, I have one serious objection to it, and that is that Canada can get nothing out of it. It is not a question whether we like free trade or not; the point is that there is no country with which Canada can deal on the basis of free trade. There are revenue or tariff laws that result in protection in force in every country in the world, and we cannot trade with our neighbors unless we can stand upon a common ground. I believe firmly—and I base my belief on the history of the two parties—that the party in power to-day is better qualified, by its experience and its present position, to effect favourable

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trade agreements with the other nations of the world than is the party that has just gone out of power.

Now I want to refer for a few moments to some remarks made by the honourable member for De Lanaud re (Hon. Mr. Casgrain) and the honourable member for Brandon (Hon. Mr. Forke). I listened with a great deal of interest to the remarks of both. I was glad to hear the explanation of my honourable friend from Brandon (Hon. Mr. Forke) with regard to the reason why he had dissociated himself from the Wheat Pool. That is a private matter of his own with which we have no particular concern. I was more particularly pleased, however, to hear him express the opinion that the solution of Canada's agricultural problems was not to be found in mechanized farming. I quite agree with my honourable friend, and I disagree with the honourable gentleman from De Lanaud re (Hon. Mr. Casgrain), who seemed to be convinced that large areas cultivated by motor-driven machinery would eventually supplant the smaller farms. It is quite true that on the opening up of a new country large acreages are suitable for grazing, wheat growing or the production of some special crop, but history proves that permanent success in agriculture is achieved only in those countries where small mixed farms are operated. No doubt considerable money could be saved in the West if the owners of five, eight or ten farms clubbed together for the purchase of machinery and the use of it afterwards. In the long run, I believe, the West will find, as the East has found, that the permanently successful farmer will be the one who operates a small holding and raises a diversity of products. My observations are based on what I know of conditions in the Maritime Provinces, but I have no doubt that similar conditions exist in Quebec and Ontario. In Prince Edward Island, Nova Scotia and New Brunswick there are farms which have been operated by the same families for generations, because the proprietors have been able to make a comfortable living out of mixed farming. In many ways the general conditions governing the potato crop in the East and the wheat crop in the West are similar, only of course the potatoes are produced on a smaller scale.

I was brought up on a farm, and I have farmed ever since I was a boy, but my operations are not on as large a scale as those carried on by some honourable members. I have about 600 acres, which is a moderately

good sized farm in the East. I have always carried on mixed farming, with never less than five crops on the 600 acres, and I have never suffered a total failure; for while in some years the crop in one or two particular lines may be poor, in the other lines it will be good. One always seems to be able to strike a pretty fair average with a diversity of crops, but I feel sure I should not have been able to continue farming if I had been producing only one commodity.

I should like to touch upon one other subject that was mentioned by my honourable friend from De Lanaudière (Hon. Mr. Casgrain). Referring to the election campaign of 1911, he said representatives of the Conservative party made statements derogatory to what was then called the "Laurier navy." My honourable friend did not tell us whether he had any proof that the persons alleged to have made the statements actually did so, but I suppose no honourable senator would say anything in this House that he was not prepared to substantiate. Therefore I shall assume that the statements were made, and I can only say that I regret very much that any Conservative campaigner was a party to such tactics. Unfortunately, however, that sort of thing was not abolished in 1911, for it was very much in evidence in the Province of Quebec during the last campaign. It seems to me that the recent election teaches nothing more plainly than that we are a united people, and that if we on the northern half of this continent desire to continue to live in harmony we must see to it that differences of racial origin are not emphasized.

Hon. Mr. McMEANS: Hear, hear.

Hon. Mr. BLACK: In this country we ought not to style ourselves French Canadians, or Acadian French. We do not call ourselves English Canadians, Scottish Canadians, Irish Canadians or Italian Canadians. Let us bear in mind that we have a common heritage and a common duty, and that we can truly enjoy that heritage and perform that duty only if we regard ourselves above all as Canadians and discard racial and parochial differences.

I have before me, honourable senators, a number of papers, some written in French and some in English, containing quotations from speeches made by three or four honourable gentlemen who are sitting in this Chamber to-day. So deep is my respect for my honourable friends that I shall not read those quotations as I had formerly intended to do, for I fear that some embarrassment might result. However, I should like it known that I did not come unprepared to substantiate my state-

ment that the recent election campaign in the Province of Quebec was marked by appeals to racial prejudice. I sincerely hope that in future no honourable senator who sits on either side of this House will make in any election campaign remarks like those recorded in the papers before me; and the result of the recent vote in Quebec, which goes to show that it is not worth while to indulge in such remarks, augurs well for the realization of my hope. I think that no feature of the recent election gave me, as a Canadian, greater pleasure than the division of the votes between the two parties in the Province of Quebec. That was a tangible proof of the soundness of the people, and a warning that they would not allow themselves to be longer misled by false cries of race. It showed that Quebec realized that it is a member of the common brotherhood of provinces that make up this great Dominion.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BLACK: May that sentiment long prevail, and may we never again see on the pages of any paper in Canada such statements as were published by *La Presse* and *The Gazette* and other newspapers—statements which are a disgrace to this country of which we are so proud.

Honourable senators, I know you will be pleased to hear that I shall not detain you longer. It is a matter of regret to me, though, that I am unable to continue, for I have a good deal of material prepared; but I am suffering from an exceedingly bad cold and sore throat, so much so that every word I utter is very painful to me.

In closing, may I say I am not one of those who hold that the party that has gone out of power did nothing for Canada. It is a pleasure to say that it did some great things for our country. But I am equally sincere when I say I believe that the Liberal-Conservative party has done still greater things for Canada, and I have an abiding faith that the Liberal-Conservative party will do far more for this country in the future than it has had an opportunity of doing in the past.

Hon. GEORGE GORDON: Honourable senators, I should like to say at the outset that any remarks I make this afternoon will be without prejudice. May I congratulate honourable members upon having secured the services as Speaker in this Chamber of one who possesses what is perhaps one of the most essential qualifications for that high office, in that he thoroughly understands and

fluently speaks the two official languages. I desire also to compliment the mover and the seconder of the Address, whose remarks were instructive, and expressed in moderate language.

It seems to me that Canada should be congratulated on the elimination from Parliament of class groups and the virtual return of the two-party system. May I not also congratulate our country in now having at its head one who inspired the Speech under consideration, a Speech which appealed to the ordinary business man as commendable in simply calling for quick action to solve an inherited problem of transcending importance to the country at large? The present Prime Minister is one whose vision is equalled only by his courage and business capacity—three attributes which are the fundamentals of leadership; one who realizes that we have within our own country not only natural resources of great magnitude, but also a tremendous potential market for products now being purchased from other countries to the detriment of Canadians; one who, to use a simple illustration, understands that the making of a wagon in Canada from Canadian materials results in benefit to labourers, farmers, manufacturers, merchants, and, indeed, all classes of our country, directly or indirectly, whereas the importation of a similar vehicle means the spending of our money in another country, with a consequent loss to the employees of this country and a weakening of the purchasing power of Canadians as a whole.

The expectation that changes in the tariff will give Canadians an opportunity to secure their home market on a basis of competitive equality with the producers in other countries is a direct incentive to action which will result in increased employment and better business conditions. I think the people of Canada in general, and Canadian labour in particular, are to be congratulated on securing the services as Minister of Labour of our level-headed colleague (Hon. Mr. Robertson), who has consented to undertake a very difficult task at this time. He is endowed by nature to an unusual degree with all the faculties necessary for the performance of the heavy duties pertaining to his office, and I am satisfied that his abilities will be reflected in his work. We all are deeply interested in trying to find a solution of the unemployment problem, and I believe that the simple measures which are to come before us will receive the sympathetic support of honourable members of this House, regardless of the necessarily heavy expenditure which will be involved.

Hon. Mr. GORDON

Considerable reference was made yesterday to the Wheat Pool, and, as there seems to be some disagreement among honourable members concerning this question, I thought it might be in order for me to make a few remarks upon the subject. The Pool slipped last year because of an unwarranted optimism based upon its ability to obtain credit to hold a commodity with which the world market was overstocked. The Pool met the fate of the newly-rich man who imagines he has "the world by the tail" so long as his substance and credit are in evidence. It overlooked the fact that some people do not believe it is good policy to withhold products from sale, even at prices which for the time being may appear to be unreasonably low. But all human beings have to learn in the school of experience, and sooner or later every man who remains in business discovers that as a general rule it is a good principle to dispose of a commodity at the market price during the year it is produced. In nine cases out of ten the withholding of any commodity from the market beyond its normal selling time results in losses through accumulative charges which cannot be avoided. These remarks are not made in a spirit of criticism of the Pool's management, for I believe the officials were entitled to use their own judgment. My only regret is that their anticipations were not realized, and that I am unable to say to my friends now, "I told you so." As was remarked by one honourable gentleman yesterday, the Pool officials were not the only ones who made errors of judgment last year. In the early part of the year the whole country was filled with optimism, and people who supposed themselves clever thought that the top of the market in any commodity would never be reached. The wise business man, as well as the unwise, has suffered because of that over-optimistic spirit. In my opinion the Pool officials might have marketed several million bushels of wheat at good prices had they not, in common with many other people, believed that prices on the world market would continue to rise. As I have already said, all business men must learn through experience. After all, the management of the Pool is young in experience, for its system is a new one, and the lesson it has now learned at a tremendous price, not only to itself, but also to its many shareholders, is one which to them, at least, will in future be very valuable. As I intimated before, the whole failure is due to the fact that the Pool is composed of human beings, and for my part I attach to them no blame whatever.

It is a great pleasure to find that after an election which has turned this country upside down—for the better, I think—all our old friends are still left with us. It is a pleasure to come back here again and to see the present leader of the Opposition and all the good friends that he has around him. We in this Chamber have always tried to conduct our business according to business principles. When the business in which we are engaged is concluded we put up the shutters and go back to our homes; and when there is something for us to do we come here again. I have no doubt that if the business in another place were carried on in the same way the country would be better for it. I may say that under the new regime, I believe, the methods employed will be more businesslike than in the past. At all events, I for one am hoping so.

Hon. JOHN LEWIS: Honourable members, I desire to join in congratulating the Speaker upon his new position, and the House upon obtaining his services for the post. I also should like to congratulate all those who have preceded me in this discussion. There was evidence of a certain amount of partisan spirit, which I suppose slumbers in us all, but there was also a great deal that was instructive and provided food for thought.

I should like to say a few words on a subject which, while not mentioned in the Speech from the Throne, is related to it; that is to say, the relation of our tariff to the movement for a larger Imperial trade. I make no criticism of the omission from the Speech, because I suppose the matter was regarded as obvious, and also because we are left in no doubt as to the intentions of the new Government. The Prime Minister, while leader of the Opposition, very clearly laid down the proposition that the policy of a voluntary preference was to be abandoned, and that there was to be substituted for it a policy of business bargaining, and a demand for equivalents. I do not intend to controvert that position, though I do not agree with it, but I am just a little curious to inquire how it is going to work out. What is the logical conclusion of it? Where will Canada get off, and where will the Canadian farmer get off, if the idea of strict business bargaining is carried out?

There are two alternatives. Great Britain, if she adopts the policy of food taxes, might conceivably put a tax on the importation of foreign foodstuffs and admit our food products free. What is the equivalent to that? It is that we should continue to tax foreign manufactures, but should admit the manufactures

of Great Britain free of duty. The present Government is undoubtedly opposed to such a policy, and I do not know that any Government is disposed to adopt a policy of the absolutely free importation of British goods. Therefore we may dismiss that alternative. The other alternative is this. We now give a certain preference to British imports while still imposing a considerable tax upon them. The equivalent of that would be for the British Parliament to tax foreign wheat and other foreign farm products and to admit ours at a somewhat lower rate. Just as a matter of conjecture, it might tax foreign wheat, say, thirty cents a bushel and ours twenty cents a bushel. I have very little doubt that under that system we should be not better off, but far worse off than we are at present. That is not by any means a fanciful conjecture.

It has been very strongly impressed upon the British farmer that he needs protection from the competition of foreign wheat, and if the Beaverbrook crusade succeeds, and the British farmer gets thoroughly into his head the idea that he needs protection, I do not see why he will not demand protection from the competition of farm products from Canada and other Dominions in the same way that our manufacturers demand protection from British competition as well as from that of foreign countries.

The present Prime Minister, while leader of the Opposition, very clearly stated his position in regard to the West Indies. He said that if a dollar was spent in the West Indies that ought to be spent in Canada, it was just as bad as if that dollar had been spent in the United States. I do not quarrel with that position either, but I want to know how it is going to work out. The corresponding position of the British farmer is this. He will say that if a bushel of wheat from Canada takes the place of wheat that might have been raised in England, it is just as bad as if it had come from Russia or the Argentine; or that if a pound of Canadian bacon displaces bacon that might have been raised in England, it is just as bad as if the bacon had come from Denmark. I find that a great many of our protectionist friends are cheering on this movement for the taxation of food in the Old Country. In my opinion they are rather rash, for if their policy succeeds, our Canadian farmers will have very considerable cause for anxiety. I should like to have the members from the farming sections, especially in the West, canvass their constituencies a little in regard to this question.

The honourable gentleman from Winnipeg (Hon. Mr. McMeans) repeated a remark with

which he apparently agreed. He said that we were paying to the United States over \$900,000,000 of solid cash, most of which was for our own raw material, which they had purchased and were sending back to us in a finished state. That statement has been made very frequently by the present Prime Minister, when leader of the Opposition, and I fancy that a great many people believe it. It is for this reason that I should like to examine it. Our imports of fully manufactured products from the United States amount to about \$576,000,000. Adding to that, to make the case as strong as possible, partly manufactured goods amounting to \$57,000,000 odd, we import altogether about \$633,000,000 of manufactured products. Of those manufactured products, those of iron and steel are by far the most important: they amount to \$317,000,000 a year. Now, is it true that the iron manufactures that we import represent raw material that we have sent to the United States and are getting back in a finished state? The returns show that our exports of iron ore are really negligible. They amount to 3,794 tons. Our imports of iron ore from the United States amount to 1,639,700 tons, and our imports of iron ore from all countries amount to 2,456,000 tons. So, instead of being in the helpless condition of having to strip our country of its natural resources and send them abroad to be manufactured, and receive them back in a finished state, we are doing the opposite: we are stripping the United States and other countries of their natural resources and are getting something which plays a very large part in our own industry.

I have here a little book on the manufacturing industries of Canada, issued for the purpose of the Imperial Conference. I find that our manufactures of iron and its products amount to \$525,921,839, and that we export in the form of manufactures of iron, according to figures which I find elsewhere, about \$78,000,000. But that does not tell the whole story, because iron enters into all our industries. Farming, mining, manufacturing, and so on, are very largely dependent upon iron. After our water powers, our forests and our farms, the most important industry is iron, and our manufactures, based largely upon this iron ore which we import from other countries, now amount to nearly \$4,000,000,000. The notion that we are not manufacturing a great deal, but are in the position of hewers of wood and drawers of water, and that we are being driven on to ruin by the stripping of our forests and mines and the

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sending of their produce abroad, to be returned in manufactured form, is contradicted by this little book. On page 20 I find the figures for 1927. I suppose they are not greatly different now. The value of manufactured products in that year was about \$3,500,000,000. We imported manufactured goods to the extent of about \$825,000,000, and exported such goods to the extent of \$648,000,000. So what we manufacture is just about equal to our consumption, and on the whole this country in that respect is just about self-sufficient.

It is perhaps idle to try to dispel the prevailing delusion after the election is over, and it serves no particular party purpose; in fact, I am not sure that my friends on this side of the House may not think that I am doing a little service to the party on the other side, whose desire it will be, in the days to come, to make the best showing possible. For this purpose, however, I commend them to a study of these figures rather than of the poetry and rhetoric which played so large a part in the last campaign. My honourable friend from Winnipeg (Hon. Mr. McMeans) and the present Prime Minister are both distinguished members of the bar, and I think that if anyone had come to them and represented that we are paying over \$900,000,000 of solid cash on mostly raw material, and bringing it back in a finished state—

Hon. Mr. McMEANS: The statement I made was that I did not intend to enter into the argument about the \$900,000,000 going over to the United States, as I did not have sufficient time. I think those are the words I used.

Hon. Mr. LEWIS: I have no desire to fix any particular words on my honourable friend. I am trying to controvert a kind of universal delusion. If the honourable gentleman does not join in that, I have no desire to fix it upon him. But, as I was saying—I will confine it to the present Prime Minister, who is a distinguished lawyer—if a client had come to him with such a story he would have at once advised him not to go to court, because he had no case.

The Prime Minister is not only a distinguished lawyer, but a poet, a man with a very strong dramatic instinct, as is shown by his saying that if he did not succeed in carrying out his promises he would perish in the attempt. I do not think any one of us can visualize the Prime Minister jumping off the tower of the Parliament Buildings,

or can imagine his substantial form fading away to a shadow. I am sure we all hope nothing of the kind will happen. But I suppose his dramatic instinct stood him in rather good stead in the elections, for we have now a populace whose dramatic instinct has been very largely stimulated by the moving pictures and the talkies, and probably those of us who take part in public life will have to appeal a little more to that instinct, because it is very hard to make people study facts and figures. I do not think that people differ so much in their intellectual capacity as in their patience and willingness to study public questions, and I am afraid that there is no great hope of present improvement in that respect.

Hon. J. J. DONNELLY: Honourable members of the Senate, I do not rise with the intention of making any extended remarks which might be dignified by the name of an address; I rise merely to refer to a few of the facts that have been brought out in the debate.

His Honour the Speaker has been so frequently congratulated upon his appointment that I hesitate to refer to the subject. It was my privilege during the sessions from 1908 to 1911 to occupy the next desk to his in the House of Commons, and from what I learned of him at that time, and from watching his course as a public man since, I feel that it is my duty rather to congratulate the members of the Senate upon their good fortune in having a gentleman of his ability and capacity to preside over them during the Parliament that is just starting.

In regard to the mover (Hon. Mr. Bénéard) and the seconder (Hon. Mr. Taylor) of the Address, I only wish to say that we fully expected that they would acquit themselves in a creditable manner, and that they lived up to our expectation.

This session is called under rather unusual circumstances. It is only about three months since the last session of Parliament closed. Since that time we have had a general election. I do not know that any good purpose would be served by going back and discussing what took place during that election. The Government of that day selected the time for the election; the machinery of the election was entirely in its hands; it selected the issue—and very properly so. The Opposition stated its case and presented it very fully to the electors. The electors gave their verdict, and fortunately it was a very decisive verdict, and the Government of to-day has

a good working majority. We are called, as you all know, in order that we may take some steps to secure employment for the large number of people who are unemployed at the present time. This is a very worthy object, and I hope the Government will be successful in its efforts.

This country is passing through a period of depression, but I do not know that it is altogether an unmixed evil. Occasional adversity is good for the country as well as for the individual. It causes people to stop and think, and to develop a spirit of self-reliance, which is very necessary. I hope that the Government will make it plain to those whom it is assisting at the present time that the assistance is given rather to prevent suffering than to convey the idea that the Government will always see to it that they have work. I may be wrong, but I think there is too much paternalism in both our Federal and our Provincial Governments, and that our people are losing the spirit of self-reliance which is essential to good citizenship, and the development of this country.

I wish to refer briefly to the remarks of the honourable member for Brandon (Hon. Mr. Forke), who said that he was speaking without preparation. I am disposed to think that the speeches delivered without preparation are the most interesting, because the extempore speaker is forced to deal with subjects of which he has some knowledge. In the main I agree with the remarks of that honourable gentleman, but while he was discussing the Wheat Pool it occurred to me that in this Parliament and in this country too much attention is given to the wheat question. I know that it is one deserving of a great deal of attention, but to one interested in live stock, as I am, wheat is not the only product of our agriculturists, and the West is not the only part of the country that grows that product. The Province of Ontario contributes a large portion of our production, and in the western sections of Ontario, where wheat is grown, the average yield is 25 per cent higher per acre than that in the West.

Hon. Mr. SCHAFFNER: But it is poor.

Hon. Mr. DONNELLY: It is not poor, and there is a special demand for it. But we have a very large cattle industry in this country, and if we cannot find a market for our wheat or coarse grain, there is no better way of using it than in the production of live stock. It is necessary that something should be done to procure markets for our live stock products.

In connection with the revision of the tariff, I wish to point out to the member of the Government who is in this House at the present time (Hon. Mr. Robertson) that the cattle industry is now in a rather bad position. Taking all grades of cattle, I may say that the price is only about two-thirds of what it was one year ago. Our cattle men have been practically shut out of the United States market, and there have been imported from Australia in 1929 quantities of chilled meat equal to the products of over 8,000 head of cattle, these imports taking up a market that our people could very well supply. I am aware that Australia is one of our sister dominions, and is deserving of some consideration, but the live stock people of this country are suffering under unusual conditions at present—such conditions as would, in my opinion, justify the Government in taking some action along this line. With reference to the live stock industry, I was surprised to read the other day that of the total importation of bacon into Great Britain only two per cent came from Canada, or originated in Canada. That is something for which our Government should be able to do something in the way of encouragement. There is certainly a large market for Canadian bacon if it is properly looked after. The bacon industry is in a somewhat different position from that of the beef industry, because it can be increased in a very short time, whereas it takes two or three years to increase our herds of cattle. That is one reason why our cattle raisers should receive some consideration at present. When the marketing is very bad they allow their herds to diminish, and it takes them some years to get back to normal conditions. I trust that the Minister will bring this matter to the attention of his colleagues.

The member for Brandon (Hon. Mr. Forke) referred also to power farming, and expressed the view that the horse is still useful, and that small farms are preferable to large ones. I agree with him. The small farm is the ideal one for this country if it can be carried on successfully. I will give you some idea of conditions in some parts of Western Ontario. I come from the county of Bruce, which was opened up for settlement about the middle of the last century, the land sale being in 1854. Fifty years ago the population of the rural municipalities in that county was approximately twice what it is to-day. The present situation does not mean that Bruce is not a good county, for, while Bruce Peninsula is rather rocky, there is no finer section in Ontario than the south part of Bruce. It means that some farmers a few years ago,

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as they became prosperous, bought out their neighbours. Other factors have crept in during the last few years. Some schools that forty or fifty years ago had about fifty pupils have now only three to ten. In some townships a large portion of the land is occupied by only a few people, and the only future that I can see is that the land will be taken up and farmed on a large commercial scale, with the use of power machines.

I have had experience of farming both in Ontario and in the West. Some of my Western friends may be surprised when I state that there are better opportunities along the shores of Lake Huron, in the counties of Bruce and Huron, for commercial farming on a large scale than there are in any part of the three Prairie Provinces. We have a soil equally good, we have a better climate and are nearer large markets.

Hon. Mr. McMEANS: What kind of climate?

Hon. Mr. DONNELLY: An evener climate. Now, in regard to the use of power machinery, I am perhaps somewhat of a heretic in my own way. The farmers on our Experimental Farm, where the expenses are paid by the Government, tell us we should not summer-fallow, we should keep our land producing; but a practical, successful farmer who farms on a large scale, and is obliged to meet his current expenses from the product of his farm, finds that in order to keep his land clean and farm successfully it is desirable that it be summer-fallowed, and in that way kept clean from weeds. If he wants to be assured of success, and to destroy the weeds, a certain amount of work must be done when the weather is very warm and the land is dry, as that is the only effectual time for getting rid of weeds. If the farmer uses power on a large stretch of land he can do this work in a much better way, as it would be very hard labour for horses. I do not say that horses should be entirely replaced by machinery, but I think power machinery a necessity, not only in the West but also in the East.

I expect to be called to order by some of my Western friends for my views, but I will make the best I can of them. I thank you for your attention.

The Address was adopted.

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: Honourable members, I have no further business to bring before the House to-day, but wish to make

a statement as to adjournment. There is nothing on the Order Paper, and no honourable member has anything to bring forward. It is expected that the Bill which has been proceeding in another place will pass there to-day. The resolution respecting it has already been passed. Such being the case, and this being an emergent session, I am going to move that this House adjourn only until Monday evening. The other Chamber will not sit to-morrow, no notice having been given; so it will continue on Monday. I know that Monday evening is not agreeable to every member of this Chamber. Some members have said they would prefer adjournment to some other hour than eight o'clock, daylight saving time, because their trains run on standard time. I refer particularly to members who come from central or western Ontario. However, as I anticipate that the Bill will be ready for us on Monday evening, and will require our attention then, I move that when the House adjourns it do stand adjourned until Monday evening at eight o'clock.

Hon. Mr. BELAND: Could you make it half-past eight?

Hon. Mr. WILLOUGHBY: I am perfectly agreeable that it should be half-past eight. We are hoping that the Bill will be passed the same evening and that the Right Honourable the Deputy Governor will immediately come and sanction it.

Hon. Mr. DONNELLY: It would be no great hardship at this time of the year to meet on standard time. That would accommodate those who come on the Toronto train.

Hon. Mr. WILLOUGHBY: The only objection to meeting at a later hour is that it might interfere with the arrangements and bring the Deputy Governor here very late. I therefore suggest half-past eight on Monday night.

The motion was agreed to.

The Senate adjourned until Monday, September 15, at 8.30 p.m.

THE SENATE

Monday, September 15, 1930.

The Senate met at 8.30 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

Hon. W. B. WILLOUGHBY: Honourable members, I had expected that the Unemploy-

ment Bill would reach us to-night. I am sorry to have to say that this expectation has not been fulfilled. The goodly number of senators in attendance to-night is an indication of the readiness of members to do business when there is business to be done. So far as I am aware, there is nothing to come before the House. Therefore I move that when the Senate adjourns to-night it do stand adjourned until Wednesday evening at nine o'clock.

The motion was agreed to.

The Senate adjourned until Wednesday, September 17, at 9 p.m.

THE SENATE

Wednesday, September 17, 1930.

The Senate met at 9 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

UNEMPLOYMENT RELIEF BILL

FIRST READING

Bill 2, an Act for the granting of aid for the Relief of Unemployment.—Hon. Mr. Robertson.

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of the Bill.

He said: Honourable members, possibly an explanation of this Bill is in order at the moment, but, as honourable members, I am sure, are generally familiar with the purposes of the legislation embodied in the Bill, the explanation will be very brief. This legislation arises out of the conditions existing in the country that prompted the Prime Minister to have this special session of Parliament called for a specific purpose. As we are all aware, the Bill now before us for consideration has been dealt with in another place. Briefly, the Bill is intended to provide financial resources by which the Government may aid in relieving the unemployed, preferably by the creation of opportunities for employment. This is to be done where possible in co-operation with the provinces and the municipalities. It is not the Government's intention that this fund shall be expended where unemployment does not exist. In the opinion of the Government it is not possible to define in detail all the purposes for which relief is to be granted, what form such relief must necessarily take, the manner in which ex-

penditures shall be made, or the extent of the expenditure in any given place. Much will depend upon the needs in the various localities.

This grant is very much like the road grant of some twenty million dollars that was passed by Parliament about 1919, which was used, as honourable senators will remember, for the purpose of providing employment to alleviate the conditions following the demobilization of troops after the war, and which undoubtedly accelerated greatly the programme of road building throughout Canada at that time. It is possible that a portion of the amount appropriated by this Bill will be used for similar purposes, as the need indicates.

I think it is unnecessary for me to review the situation. I tried to cover the ground briefly the other day in the debate on the Address. My remarks at that time were intended to give, as a sort of lead, a picture of what has occurred with respect to unemployment and the extent to which it exists at the moment. This Bill carries our minds on from that point. It is sufficient, I think, to say that unemployment has considerably increased during the past thirty days. As the season advances, as the harvest ends and summer activities draw to a close, unemployment in many parts of Canada continues to increase. There is always a certain amount of seasonal unemployment in this country, and probably there always will be, but the extent of unemployment at this time is abnormal. There have been during the summer and there are now more unemployed in Canada than there have been at this season of any previous year in the history of the country. Furthermore, there are more men out of work in Canada to-day than there were at any time during last winter. It is true also that the thousands of men in Canada who were without jobs last winter have entirely exhausted their limited resources, and many who have been out of work all summer have had their credit seriously impaired. Consequently the conditions under which the unemployed are facing the coming winter are unprecedented in the history of this country. All of this emphasizes the importance and necessity of the Federal Government doing all that it can, or all that in such a crisis it might reasonably be expected to do, to assist the provinces and municipalities in relieving the distress of the people.

This Government fully recognizes, as Governments in times past have recognized, that the obligation to take care of people in need rests primarily with the municipal authorities. There is no change in that situation. Secondly, if the municipalities are unable to cope

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with the situation the province may be called upon for aid. But when the difficulty becomes national and is beyond the control or power of the local and provincial authorities, the Federal Government assumes the responsibility of coming to their aid in the manner outlined in this Bill, in order that unemployment may be minimized, if not abolished.

With this brief explanation, I move the second reading of the Bill.

Hon. RAOUL DANDURAND: Honourable members, in giving a statement to the Senate a few days ago, the honourable Minister of Labour said he was ready to supplement that statement if his attention were drawn to any further information that was necessary or desirable. Before making a few brief remarks—I may not be able to make them this evening—I desire to put some questions to my honourable friend, because I am in receipt of requests from various sources for information as to the application of this projected relief.

I notice that the inquiry sent out by the honourable Minister for the purpose of ascertaining the number of men out of work was sent only to towns having a population of 10,000 or more. Is it the intention to extend the scope of that inquiry in order that the needs may be met wherever they exist?

Is it the intention of the Government to limit the aid to men completely out of work, or is it to be extended to those who are only partially employed?

Is it the intention of the Government to help manual labour exclusively?

Will such men as are engaged in what we call seasonal occupations and are thrown out of work by the cessation of activities—for instance, by the closing of ports for the winter—be able, under this legislation, to qualify for relief?

Will those men, otherwise regularly employed, who are temporarily suspended, as happens when large corporations close down for a few weeks or a month or two, be entitled to ask for relief?

Has the Labour Department or the Bureau of Statistics any data covering unemployment, seasonal or other, as it has existed in past years in various localities?

Has the Government any data showing the number of unemployed who in past years have been assisted by local authorities in towns or cities? I put this question because it will be important to know the ordinary conditions prevailing throughout the land in past years, so as to make a comparison with the present situation. As we are speaking of abnormal conditions, we should be able to compare

normal years with the present one. This is all the more important because each province must allege exceptional conditions. I wonder whether the honourable the Minister could give us a fair indication—

Hon. Mr. ROBERTSON: May I interrupt my honourable friend for a moment in the hope of expediting matters? He is asking a considerable number of questions, replies to which we shall be delighted to supply, but it occurs to me that our usual practice is to discuss the principle of the Bill on the second reading, and then to move that the Senate go into committee, where we can discuss a Bill more freely, and without being regarded as interrupting each other. My respectful suggestion to my honourable friend is that he should now make any observations he cares to make respecting the principle of the measure, and should then allow us to move the Bill into committee. We might thus make progress more rapidly and more satisfactorily. I would ask him to consider that suggestion.

Hon. Mr. DANDURAND: I was proceeding to inquire for this information on the second reading because I was not sure that my honourable friend would not ask us to dispense with the committee stage.

Hon. Mr. ROBERTSON: Oh, no.

Hon. Mr. DANDURAND: Before we go into committee I will add the one or two further questions I intended to ask, so that my honourable friend may obtain the desired information if it is not at hand at the moment. It may form part of my general remarks on the Bill.

The honourable the Minister stated, when he brought before the House the information and data that he obtained from the various towns and cities, that work was to be furnished, and not charity given. Now I am not absolutely sure that my honourable friend would not modify that statement. It does not seem quite clear. I find that municipalities that give relief, as at times they are called upon to do, are to be entitled to reimbursement. I think I have seen the statement that for relief purposes the municipality is to pay one-third, the province one-third, and the Dominion Government one-third. That is as far as relief goes, but my honourable friend might inform the Senate whether the expenditures for public works will be paid by municipality, province and Dominion in the same proportions. Certain public works may be carried on by the province, and if a municipality is interested in these works it may be asked to pay a certain share. I do not know what the arrange-

ment would be, or what the intentions of the Government are, in regard to public works in which a municipality is primarily interested. Would the Dominion Government be called upon to subscribe one-third, and the province a similar amount, as in the case of relief?

My honourable friend might also tell us whether, in contributing either towards public works or towards relief, it is the intention of the federal authorities in some instances to deal directly with the municipalities. I have not seen any very clear statement as to the possible relations between the federal authorities and the municipalities. It is not clear to me that the federal authorities will deal exclusively with the province, and the province with the municipality.

Those are the questions on which I thought the Senate would desire information, because such queries have come to me, in one form or another. My honourable friend states that this Bill will go to committee and that the information I requested will be furnished.

I have not heard that anyone on this side of the House takes exception to the grant which is being asked of Parliament. The extent of unemployment, the form of relief, and the method of distribution must be left to be determined by the Government, which bears the responsibility in the matter.

I have asked for information concerning ordinary unemployment conditions in past years because, as I have stated, the provinces must allege exceptional conditions. Heretofore ordinary conditions have been met by the local authorities. I wonder whether care will be exercised to see that whatever obligation was discharged by the municipality under the conditions existing in the past shall not be wholly transferred to the federal exchequer. I take it for granted that we should guard against imposition. We all know that there has been considerable clamour in Great Britain because of abuses which have been revealed in connection with the distribution of the dole; and it seems to me that the experience of the Motherland demonstrates that safeguards and control are necessary here.

In answer to the suggestion that the expenditures incurred by provinces or municipalities should be audited by the Federal Government, it is claimed that the provinces would resent such procedure. The grants to be made under this Act have been likened to the annual subsidies paid by the Federal Government to the provinces, but it seems to me

that the comparison is not a good one, because provincial subsidies are based upon provisions in the British North America Act, whereas these grants are for a specific purpose. The case would be somewhat different if this Bill provided that the amounts should be distributed to the provinces according to population: there might then be a colourable argument against a federal audit, since these moneys would be distributed on the same basis as the annual subsidies.

It is said, against the suggestion of an audit, that as the moneys appropriated by the respective provinces will come out of their consolidated funds, the Provincial Governments will have to account for expenditures to their respective Legislatures. I understand that this is the view held by the Government. In this connection there is one recommendation I desire to offer, and I think it is a reasonable one. Since the Provincial Governments will account to their Legislatures for their direct expenditures and will require an accounting from the municipalities to whom they will pay over some of the money, should not the Provincial Governments be asked to make a report of their activities to the Dominion Government? There would be a two-fold object in asking the Provincial Governments to make such a report as they will make to their Legislatures: the Federal Government would thus obtain a detailed record of the expenditures of the sums paid out of the Dominion treasury; and some extremely valuable information in connection with the unemployment situation should be received. The unemployed all over the country will have to register their names and addresses when applying for relief. Of necessity the applicants will be asked a number of questions. Should there not be prepared a form containing a number of questions designed to elicit information of value to the Department of Labour and the Bureau of Statistics? If such forms were filled out, and, together with statements showing the number of men who have received relief employment, were mailed to the federal authorities, the information might be of great service in another similar emergency. As all honourable members know, economic crises unfortunately run in cycles. While we are granting relief in the present instance it should be possible to gather data which would help us in the future. Should we not ascertain from every applicant where he was born, whether he is a newcomer to Canada or to the particular municipality or rural section where he is applying, what has caused unemployment in his particular case, and where he was last

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employed? The country is making a serious effort to cope with unemployment and to that end is giving lavishly of its money. Therefore, it seems to me, the Federal Government is entitled to all the information it is possible to get in connection with the causes of unemployment. If a record were obtained from every man at present out of work, we should have an excellent basis for a study of economic conditions and for intelligent comparisons in the future.

Hon. J. BUREAU: Honourable senators, lest it should be taken for granted that silence indicates acquiescence, I desire to say that I am absolutely opposed to the present Bill, because I think it creates a dangerous precedent. The honourable the Minister of Labour (Hon. Mr. Robertson) has referred to the Roads Bill, but the situation was different in that instance, for the Provincial Government had to make application to the Department of Railways, and before payment was made that Department had the engineers' report certifying that the work had been properly done. In this case the Parliament of Canada is asked to vote \$20,000,000 of the money of the people, whom it represents, and to hand that sum over to the Governor in Council "for such purposes and under such terms and conditions as may be approved by the Governor in Council."

Everybody admits that there is some unemployment. A kind of census has been taken. When I say "a kind of census" I do not mean to reflect upon the way in which the honourable the Minister of Labour (Hon. Mr. Robertson) has carried on the inquiry. Information has been requested from municipalities with a population of 10,000 and over as to the extent of unemployment within their boundaries. It seems to me we ought to be informed what works are to be undertaken by the municipalities who reported the existence of unemployment and who are to receive grants under this Bill, so that we might have some idea of how the money is going to be expended. At this time I shall say nothing further, except that I object strenuously to the principle of a Bill which empowers the Governor in Council to expend such a large sum of money, when Parliament is given no information as to how the money is to be spent and is unable to exercise any control over the expenditure.

Some Hon. SENATORS: Question!

The motion was agreed to, and the Bill was read the second time.

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Robertson, the Senate went into Committee on the Bill.

Hon. Mr. Beaubien in the Chair.

On section 2—grant of \$20,000,000:

Right Hon. G. P. GRAHAM: Honourable senators, is it understood that this money will be expended on conditions similar to those that have controlled emergency expenditures on other occasions? As has been pointed out, and is well known to honourable members, when an emergency exists it is not necessary to call a session of Parliament to make a grant of this kind, but the money may be voted by Order in Council on a Governor General's warrant. However, in this instance Parliament has been asked to make the grant. As I understand the method that has been adopted heretofore when it has been desired, for purposes of relief, to undertake special municipal works that were not really necessary for the time being, the municipality concerned in each case instigated and began the work and kept it under municipal control. Neither the province nor the Dominion suggested the undertaking, but the municipal, Provincial and Federal Governments contributed each one-third of the cost of the work. Is that the method that will be adopted in connection with relief works under this Bill? Let us say that the municipality desires the removal of a level crossing. In such a case the question would be referred to the Board of Railway Commissioners. If the work is ordered, there are three sources from which the expenses are met: the company, the municipality, and a Railway Level Crossing Fund, through which the Federal Government contributes. The apportionment of the costs is determined by the Board of Railway Commissioners, if I remember correctly. Now, it will be found that, generally speaking, the municipalities all over Canada have no over-supply of money, and the local taxes are already high enough. I know that in the Province of Ontario municipal taxation is fairly high and the local treasurers are anxious to keep the rate from coming up further. For that reason I suggest—and I make the suggestion with all due respect to the federal and provincial authorities—that if each municipality where work is to be done under this Bill is to contribute its share of the cost, there will be more economy than if the entire expense is borne by the Dominion and the province. Will any municipal work that is undertaken be initiated by the municipality, and will the province and the

Dominion each contribute one-third? I think it would be an error to have the Federal Government deal directly with the municipalities, because that would open up an endless amount of work and establish a bad precedent.

Hon. Mr. ROBERTSON: If my honourable friend the leader on the other side (Hon. Mr. Dandurand) will pardon me for not remembering the order in which his questions were asked—

Hon. Mr. DANDURAND: I can put them separately.

Hon. Mr. ROBERTSON: If my honourable friend will permit me, I shall answer first the question that has just been asked by the right honourable gentleman from Eganville (Right Hon. Mr. Graham). It is my desire, and the desire of the Government, to give to the House all the information requested. With respect to the right honourable gentleman's question as to works initiated by a municipality for the purpose of creating employment, I may say that the view of the Government is that unemployment in municipalities is primarily a municipal responsibility. If a municipality does not ask for federal assistance from this fund, none will be given, but if a municipality represents to the Federal and the Provincial Governments that it is unable to bear all the costs of relieving distress brought about by unemployment within its boundaries, the Federal Government pledges itself to render aid in proper proportion to the need, and will expect the province to co-operate and participate by providing perhaps equal relief.

With reference to the construction of subways, to which my right honourable friend referred, I may say that the Government looks with favour upon that sort of work, for two reasons: first, because it is always a desirable work to carry on with a view to eliminating accidents and deaths that are occurring in increasing numbers on level crossings all over the country; and, secondly, because the building of subways and the elimination of grade crossings would greatly aid society generally. Furthermore, that kind of work would result in more money from this fund going to pay-rolls and the earnings of the men employed than almost any other class of undertaking that might be entered into. For this reason I think the Government is quite willing to supplement very substantially the fund already set aside for the purpose, and in the hands and under the jurisdiction of the Board of Railway Commissioners. The

Federal Government at the present time, where requested by the municipalities, participates in the cost of eliminating level crossings, to the extent of 40 per cent, up to a maximum of, I think, \$100,000. The Grade Crossing Fund has been drawn upon quite heavily during the past month, I understand, by reason of the increased number of applications coming in from municipalities who are desirous of creating employment opportunities for their citizens who are out of work.

Right Hon. Mr. GRAHAM: The percentage to be paid out of the Railway Grade Crossing Fund has been increased.

Hon. Mr. ROBERTSON: But the amount of money available for that purpose, I understand, has become rapidly depleted, and it is expected—the Prime Minister has indicated his willingness—that the Fund will be supplemented from the grant in the Bill now before us.

It is not the intention of the Government to launch upon works in any municipality except federal undertakings for the purpose of relieving unemployment. The initiative must be taken by the municipality itself, or, in such work as road building in remote districts, in order to open up new territory in a province, the Federal Government may co-operate with the province on a basis which will be fair to both, without regard to the cost to the municipality. But I think my honourable friend's question was whether or not the Federal Government will undertake work for the relief of unemployment where the municipality has not initiated the work and is not participating in it. It is the intention, I believe, that the municipality shall in each case indicate to the Federal and Provincial Governments what works it is ready to proceed with, and to what extent it is willing to bear the cost.

Hon. Mr. DANDURAND: If such an agreement is made, will the municipality account for its expenditure to the province or to the Federal Government direct?

Hon. Mr. ROBERTSON: I assume that the practice will be similar to the practice followed in the past in like situations. I quite well remember a rather serious unemployment situation arising in 1920-21. It was not of as long duration, however, as the present one, and therefore the need of national intervention was perhaps not as great as it is at present. As I remember it, there were two methods adopted at that time. One was to dispense relief directly through the municipal authorities to the people in distress. In that case

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the municipalities accepted the responsibility of determining first the existence of distress, and then the extent to which it should be relieved; and the Federal Government pledged itself to bear one-third of the cost of the relief. I think in almost every instance the Provincial Government bore an equal share of the cost.

Hon. Mr. FORKE: That did not refer so much to work as to relief.

Hon. Mr. ROBERTSON: I shall come to the other point my honourable friend has raised. My recollection is that the municipality rendered a report of its expenditure, with vouchers, to the Provincial and Federal Governments, who, in turn, each refunded one-third of the total amount thus expended on direct unemployment relief. There was but little employment created in comparison with what it is now proposed to do. It was midwinter before the necessity became sufficiently acute to seem to justify federal intervention, and it was not until the 14th of December, 1920, that any step was made in the matter apart from the representations received from a few localities stating that distress would be acute before spring. The Federal Government at that time volunteered to bear a part of the necessary cost of feeding people and keeping them warm.

This year the situation is different. Throughout the summer unemployment has existed to a greater extent than ever before, and I think that all honourable members, and most citizens of Canada, realize that the need must necessarily be greater during the coming winter than it has ever been in the past. Therefore the Government has attempted to anticipate as far as possible the probable requirements, and, by means which I have briefly outlined and which we shall explore further, to assist the provincial and municipal authorities in providing employment opportunities, or, where they cannot be provided, in contributing towards financial relief. It is estimated that the amount of money named in this Bill is appropriate for the purpose. I have heard it stated in several quarters that \$20,000,000 is a very substantial amount for such a purpose as this, but Canada is a vast country and has a very severe winter season. The grant of \$20,000,000 amounts to \$2 per capita of our population, a sum that does not go very far in relieving distress.

Right Hon. Mr. GRAHAM: We will not draw on it.

Hon. Mr. ROBERTSON: It is sometimes held that we are drawing on it. That is not the case, for I do not anticipate that the cost

of our sitting here will come out of the fund. I suggest, however, that in the aggregate the amount I have mentioned is not excessive in comparison with the need.

Hon. Mr. CALDER: With reference to the question of accounting, will whatever arrangements are made for the expenditure of this money be made with the provinces, or partially with the municipalities? The Dominion Government, I assume, will deal only with the provinces, and they in turn will deal with the municipalities. In so far as the accounting is concerned, the municipality will have to account to the province, and the province in turn to the Federal Government. The question that I wish to ask is whether there will be any direct dealings between the Federal Government and the municipality.

Hon. Mr. DANDURAND: That was one of my questions.

Hon. Mr. ROBERTSON: My understanding is that there will not. The municipality is the creature of the province. The Federal Government will, of course, expect to be apprized and to have evidence of the expenditure of the municipality, and when the province agrees that the expenditure is just and fair, and assumes its proportion, there will be little necessity of detailed auditing of the accounts by the federal authorities. I have no doubt that payments out of this fund by the Federal Government will of necessity depend upon the provinces certifying the correctness of the accounts rendered, and the payment by the provinces of their share will be an evidence of their belief in the correctness of the accounts.

Our honourable friends opposite very properly take considerable credit for the enactment of certain old age pension legislation. There is a method of accounting adopted with regard to that legislation which demonstrates what I mean. The provincial authority determines whether or not the applicant is entitled to a pension. The Federal Government has nothing whatever to say about that. In the present case, however, the Federal Government will have something to say as to whether or not it will approve of the payment of its agreed portion of the cost. Under the old age pension regulations the Provincial Government renders its accounts to the Federal Government, which, on receipt of those accounts, pays them without any detailed audit. Of necessity the Federal Government cannot inspect the individual cheques that are paid

to 40,000 odd pensioners each month, and it must accept the certificate of the Provincial Government as to the amount payable under the terms of the legislation.

I submit that the situation is very similar when the province and the Federal Government approve of the undertaking of a municipality which is willing to bear its fair share of the cost. The accounts as rendered by the municipality, and certified by the province, should be reasonably satisfactory evidence upon which the Federal Government can base the payment of its share.

Hon. Mr. MURDOCK: On August 12, according to information placed before members of the House, the honourable Minister of Labour addressed the mayors of Canadian cities of 10,000 population and over in connection with this unemployment question. The preamble of the Bill before us says:

Whereas unemployment, which is primarily a provincial and municipal responsibility—

—and I particularly noticed that my honourable friend (Hon. Mr. Robertson), in the statement just made to the House, twice affirmed that unemployment is a subject of municipal and provincial responsibility. What I should like to inquire is whether the Government received from the municipalities or from the provinces, prior to August 12, 1930, any request that the Federal Government should undertake to co-operate with the municipalities and the provinces to assist in dealing with unemployment?

Hon. Mr. ROBERTSON: I am glad to give my honourable friend the information that he seeks, because I do not think he was in the House last week when I made some observations of a general character concerning this subject. The present Government came into office on August 7, late in the day, and on August 12 the Department of Labour solicited information from the mayors of cities of 10,000 or over. In each of those cities the Government maintains, through the Department of Labour, an employment office. Weekly reports come in from those offices as to the number of people out of work in each community. The Department knew, and the Government knew, that those records were not accurate, because from the experience of ten or twelve years it has been learned that when one hundred or two hundred men are registered in an employment office as unemployed perhaps hundreds of others are discouraged from registering, even though out of employment. Therefore the Department of Labour had knowledge—not accurate knowledge, it is

true, but nevertheless knowledge—that unemployment existed in those communities. As Parliament was being called to meet on September 8, it was not thought possible to communicate with all the municipalities in the country within the time available, and it was decided to consult the Employment Service Council of Canada. This Council is a statutory body, established in 1918, and is called from year to year. The last conference of a general nature on this subject of unemployment was held during 1924. It was desirable that the Council should be convened and consulted, representing, as it does, more than half a million people. The Department of Labour therefore endeavoured to get all the information available in order to lay it before that body when the conference was called. The Government feels that everything that was possible within the short time available was done, and that the best picture obtainable has been submitted to Parliament.

My honourable friend asks what information the Department has with reference to requests received from municipalities and provinces in times gone by respecting this subject. I think I gave information to the House on that point last week. My honourable friend was not here, and perhaps he has not read what I said at that time. The fact is that a very substantial volume of correspondence is on file in the Labour Department, including scores of applications from municipalities and several from provinces. In one communication, which I remember very well, the Prime Minister of a province offered to have his province do its share, but apparently that communication was not even acknowledged. It is unpleasant and I do not think it is desirable for me to enter into the details of this matter, and I should not have mentioned it if my honourable friend had not sought the information. If he wishes to pursue the matter further I shall be glad to obtain the evidence and submit it to him, but I do not believe the House wants it, because I think we discussed that affair enough the other day.

Hon. Mr. MURDOCK: Personally I should like to have concrete information indicating that municipalities or provinces anywhere in Canada had on August 7, or just prior thereto, intimated to the Government that unemployment was so rife in their midst that they desired the assistance of the Federal Government in dealing with it. Of course I accept my honourable friend's statement, but I doubt that there is any evidence or any concrete information of that kind, and I should very

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much appreciate the laying of it on the Table of the House in order that we might see it and my doubt might be dispelled.

Hon. Mr. ROBERTSON: May I suggest to my honourable friend that the information is already on record? Last week in this House I named the municipalities or other places from which requests had come to the Government between December, 1929, and April, 1930. These are all on record. I also mentioned the dates of the communications. My honourable friend can find those references in Hansard. If he wants the original documents, I shall be glad to produce them, but surely he will not hold up the House for the purpose of asking us to copy documents at this late date, and thus delay the provision of the relief that is so important.

Hon. Mr. MURDOCK: I have undertaken to read rather carefully what my honourable friend refers to, but that does not give me the information that I am asking for. If we in this House are entitled to that information, I still insist that I should like to see the concrete evidence that municipalities or provinces did ask for financial assistance to deal with the unemployment problem. Personally I doubt it, with all due respect to what I have read.

Hon. Mr. ROBERTSON: May I make one further observation? My honourable friend seems to repeat that he doubts the statement that is on record. I think I can assure my honourable friend that it is not the custom of this Government to make any statements that it is not prepared to support. I would also point out to my honourable friend that when this matter was under discussion last week I offered to the leader of the Opposition to bring down all the documents received during the past year if they were desired, and to lay on the Table also the replies, but no request was made for them. I would therefore suggest to honourable members that it is not exactly customary, when available information is offered, for an honourable member to let a week go by and then to say that he does not believe that the Minister's statement is true. I do not think that is the courtesy due to members of this House.

Hon. Mr. MURDOCK: My honourable friend knows that this Bill is before the Committee of the Whole in order that it may be intelligently discussed, and, I presume, that proper information may be procured. This is one of the most important steps ever taken by Parliament, the voting of \$20,000,000 for

the relief of unemployment. As a representative of labour for many years, I am glad indeed that the members of this House and those in another place are giving to the all-important question of unemployment the consideration that it deserves, although I think a great mistake is being made in the way the problem is being dealt with at this time. In my judgment the proposal before us will stultify ambition.

An honourable SENATOR: Oh!

Hon. Mr. MURDOCK: An honourable gentleman says "Oh," but he should not forget that I have rambled through the high-ways and byways and know something about labour, organized and unorganized. I say it will stultify ambition and prostitute resourcefulness on the part of many workers.

I realize that there is much unemployment in Canada, but it is nothing in comparison with what exists on the other side of the line. Some honourable members may ask how I know that. Well, I happen to be working for an organization with 187,000 members, 23,000 of whom, in the United States, are to-day not able to hold a position even on the "extra" board. So it is with my honourable friend's organization and with others. Therefore I think that very much more has been made of this question of unemployment than was really necessary. I realize that it is necessary to deal with this measure, as we are doing, but I think it was a great mistake to spread throughout Canada such statements as were made some weeks ago.

My honourable friend will not give me credit for reading what he said, but I have done so. I have been associated with him for many years in different interests and have considerable respect for what he says, but I should like to ask him this question.

Hon. Mr. LAIRD: Read what he says on page 23 of Hansard.

Hon. Mr. MURDOCK: On September 10 my honourable friend, taking great and proper pride in Sir Robert Borden's part in helping to formulate the Treaty of Versailles, placed on Hansard, for the benefit of us all—and he has my thanks for so doing—a statement of certain principles adopted under that treaty. I want to read two paragraphs quoted by my honourable friend, which appeared on page 25 of Hansard:

Third.—The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Fourth.—The adoption of an eight-hours day or a forty-eight hours week as the standard to be aimed at where it has not already been attained.

The question I should like to ask my honourable friend I have already put to him personally, but I have not been at all satisfied with his answer. The question is, whether it is the intention, in the expenditure of this \$20,000,000 of federal funds, to recognize the fair wages policy of the Federal Government.

Hon. Mr. ROBERTSON: I thank my honourable friend for having brought forward this inquiry, because it enables one to deal with what has been a doubt in the minds of some, to judge by the amendment to this Bill that was moved in another place. I listened with some interest to honourable members who brought forward that amendment in another place, and I believe that in doing so they were absolutely sincere in the desire to serve the working people of Canada, but they overlooked the fact that there is already on the Statute Book of Canada, in chapter 20 of the Statutes of 1930, a law which deals with this question; also that P.C. 670, of March last, dealt with the question of the eight hour day.

The Prime Minister of Canada in 1919 attached his signature to the document to which I referred a week ago, and that pledge has been carried out as far as it was possible under our constitution for the federal authorities to carry it out. My honourable friend and other gentlemen know that it is not within the jurisdiction of the Federal Government to say that the eight hour day shall prevail in all industries, or that fair wage clauses shall be inserted in every contract where municipalities or provinces are concerned. The Federal Parliament can only deal with such matters as are within its powers. It was therefore made clear in another place when the amendment was under consideration that the Government would not accept it.

I may say to honourable members that it is the intention, so far as the Federal Government is concerned, to respect those obligations that are already law. When the Federal Government comes to discuss an agreement to carry on certain work, and its cost, it is intended to have the province and the municipality agree that in consideration of receiving assistance from the federal treasury they shall observe the fair wages resolution and the eight hour day. The agreement thus made will have some effect so far as the provinces and municipalities are concerned, whereas the amendment suggested in another place could not possibly have that effect.

Hon. Mr. MURDOCK: Is that a promise?

Hon. Mr. ROBERTSON: I assure my honourable friend that that is the intention of the Minister of Labour, under whose jurisdic-

tion the administration of this Act falls. I may add that the premier of one province has already agreed that that shall be done so far as his province is concerned, and I am not telling any secret when I declare to the House that it is the policy it is proposed to follow.

Hon. C. MacARTHUR: Honourable members, it has been stated in another place, and also in this Chamber, that this is a matter for arrangement by the Federal Government with municipalities and provinces. It has also been stated that this legislation is analogous to the Canada Highway Act of 1919. The provisions of the Canada Highway Act, 1919, called for sixty per cent to be paid by the Provincial Government and forty per cent by the Federal—a clear-cut, specific allotment. Municipalities were not considered, and great care was taken to see that all works and payments were properly handled. The terms in this Bill are altogether different, and, excepting the fact that both are grants, I cannot see how the legislation proposed can be called analogous.

I should like to ask the honourable the Minister of Labour for some information in order to clear up a question in my own mind and perhaps in the minds of some other members. If an arrangement were made among the Federal and Provincial Governments and a municipality, and a situation arose in which a municipality was unable to carry on its share of the work, would it be relieved of responsibility in regard to payment? In such a case, if the obligation of the municipality is passed on, so that the Provincial Government has to assume more than its share, it seems to me there would be some criticism. We know that some municipalities are well governed, with a good mayor and council, taxation is well looked after, and fair taxes are collected, while in other municipalities the contrary condition obtains. I think that if a badly managed municipality could escape its financial obligations the system would be wholly inequitable. I should like to ask whether there is any method of ascertaining whether municipalities or Provincial Governments are in a position to pay their proportion of the cost of such work, or whether the fund is going to be administered in such a free and easy manner that the Federal Government will hand over anything that a local Government asks.

Hon. Mr. ROBERTSON: My honourable friend will realize that it is quite impossible for a member of the Federal Government to answer a question that must necessarily

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be answered by the municipalities, as to their responsibility and their ability to pay. I would add that my honourable friend has very well demonstrated the reason why it is impossible to lay down any hard and fast rules to govern every condition existing anywhere in Canada. The law must necessarily be flexible because of the very nature of things. I think that is about as far as I can answer my honourable friend's question intelligently.

Hon. Mr. MacARTHUR: The honourable gentleman will go so far as to admit that some municipalities would be in a manner penalized?

Hon. Mr. ROBERTSON: Quite so. That might occur after the municipality represented the facts as to its condition.

Hon. N. A. BELCOURT: Honourable members, professedly this Bill is designed to relieve unemployment. It is called, "An Act for the granting of aid for the Relief of Unemployment." The actual provisions are, to my mind, very definite:

2. For the relief of unemployment, a sum not exceeding twenty million dollars is hereby appropriated and may be paid out of the Consolidated Revenue Fund of Canada for such purposes and under such terms and conditions as may be approved by the Governor in Council.

Clause 3 is especially clear:

3. Without restricting the generality of the terms of the next preceding section hereof, and notwithstanding the provisions of any statute, the said sum of twenty million dollars may be expended in constructing, extending or improving public works and undertakings, railways, highways, bridges and canals, harbours and wharves; assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine; granting aid to provinces and municipalities in any public work they may undertake for relieving unemployment and reimbursing expenditures made by provinces and municipalities in connection with unemployment, and generally in any way that will assist in providing useful and suitable work for the unemployed.

Until my honourable friend rose to-day to explain more fully the purposes of this Bill, I was under the impression that the money in question would be used solely for the purpose of providing employment. My honourable friend rather disturbed me when he said—and I think I understood him; if not, I am willing to be corrected—that the money would be employed not only for the purpose of giving work to relieve unemployment, but also for the purpose of providing other relief. Though he was not very clear, I under-

stood him to say that it was relief in the way of provisions, supplies, clothing, and things of that sort.

Right Hon. Mr. GRAHAM: And money.

Hon. Mr. BELCOURT: And money. Now, this at once causes me to fear a curse which has found its way into some parts of the world, and which is, I think, the last thing I want to see in Canada. When my honourable friend spoke in that way, I could not help thinking of the dole. I do hope there is no intention of introducing that into this country. If the purpose of this Bill is to give work, I have no objection; but if it is intended that some of these funds shall be handed over for charity, or something in the nature of the dole, then I have a very strong objection to it. I do hope that my honourable friend, and the Government of which he is a member, will seriously consider that particular question. Surely we are not going to have the dole in Canada! If unemployment exists anywhere in our country it can be cured by our providing work on useful undertakings, some of which may be of a temporary nature, although I hope that most of those carried on with the aid of money granted by this Bill will be of a permanent nature. But I am absolutely opposed to the relief of want by the granting by the Federal Government of money or goods to municipalities. I had no idea that the Government intended to do anything like that until my honourable friend (Hon. Mr. Robertson) spoke to us this evening. If that sort of thing is practised, I am afraid it will be followed by serious consequences. Will my honourable friend kindly make clear what the Government intends to do in this connection?

Hon. Mr. ROBERTSON: I shall be delighted to try to remove the ghost from before my honourable friend's eyes. I understand his feeling, and the Government appreciates the importance of doing everything possible to avoid the semblance of a dole system. Surely that was made clear in the announcements concerning the Bill in another place. I should like to point out to my honourable friend that there may be, and doubtless will be, places where it will be impossible to provide employment for all who are able and willing to work this winter; and I think that the ghosts hovering over people who are hungry and unable to find work will be more real than any that seems to resemble the dole and disturb the minds of honourable gentlemen. It is not intended or desired that a single dollar shall be paid out except for work, if work can be provided, but in any municipality in Canada where work is not obtainable and the people

are hungry, the Federal Government intends to lend a helping hand.

Hon. Mr. BELCOURT: Perhaps I might indicate more clearly what I had in mind. I think that the handing out of provisions, or clothing, or money, or anything of that kind, for the relief of distress, ought to be left entirely to the municipalities concerned, and that the Federal and Provincial Governments should have no part in such measures at all. Surely the distress will not be so great anywhere that, after all available employment has been provided, a municipality will be unable to look after local indigents. I think the Governments of Canada and of the provinces should have absolutely nothing to do with any measure that can be looked upon as in the nature of a dole. The purpose of the Bill is to provide for the relief of unemployment. Doubtless a certain amount of distress from unemployment exists in every city—Ottawa, perhaps, is one that suffers less than most others in this respect—but surely there are charitable organizations all over the country which look after urgent cases of want. The St. Vincent de Paul Society, in connection with my church, does work of this kind, and I suppose my honourable friend's church has some organization which carries on similar activities. Nobody need be without food or clothing in any part of Canada to-day; but the relief of want in urgent cases is a work that belongs to the municipalities and to individuals; and if the Government undertakes to substitute for the municipalities in providing relief, then the Bill will be a curse.

Hon. Mr. ROBERTSON: If I did not make clear the Government's intention when I spoke before, I apologize to my honourable friend. The Federal Government does not intend to spend a single dollar in any case unless the need exists, and the municipality concerned must make it clear that there is that need. The municipality will then be authorized to make certain expenditures to relieve distress, and the Federal Government will help to pay the bill; but the Federal Government will never know, neither will it care, whether the relief was given in the form of provisions or cash. That is not the responsibility of the Federal Government. A national emergency exists in Canada, surely.

Some Hon. SENATORS: No.

Hon. Mr. ROBERTSON: Surely that is generally recognized. All that the Federal Government can do is to offer aid through the municipalities, which are in the best position to know of the exigencies.

Hon. Mr. BELCOURT: I say that if any municipality represents to the Dominion or any Provincial Government that there is distress, and requests aid, the Government should ignore it, or inform the municipality that it should look after the matter.

Hon. W. B. WILLOUGHBY: It may be found that there are needy persons in a number of municipalities which have not the necessary finances to give relief. I know that last year the Government of Saskatchewan obligated itself to make advances to enable many municipalities to supply necessary relief. The local authorities were authorized to furnish a certain quantity of flour for every needy person; and, where the circumstances justified it, coal was to be supplied, and fodder for animals. Many of the municipalities, owing to strained finances, would have been unable on their own credit to get funds for the supplying of those wants. I think that not only all honourable members but all the people of Canada would object to the introduction of the dole system in this country. Unfortunately, in many parts of Canada where there have been crop failures conditions will be worse in the coming winter than they were last year. I know that in a large part of Saskatchewan that had a severe crop failure last year the current crop has been no more successful, and the people there are in a far worse plight than they were twelve months ago. Winter employment does not exist on the prairies to the same extent as in other parts of Canada. The farmer, who is required at home to attend to the live stock and look after his family, is not near to any centre where employment is available. I can readily conceive of cases of need where the circumstances are such that the Federal Government should not insist too strongly on the observance of technicalities.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: I do not think that the extending of relief in cases of the kind to which I am referring could be regarded as a dole. A large section of the country suffered from aridity this year. The farmers are doing their best to carry on their work successfully, but they cannot prevail against the elements. I think we should look on the distribution of this fund a little more generously than my honourable friend (Hon. Mr. Belcourt) appears to be willing to do.

Hon. Mr. BELCOURT: I can hardly conceive that there will exist anywhere in Canada such distress that it could not be relieved by

Hon. Mr. ROBERTSON.

joint action of the municipality concerned and the local citizens. If the municipal officers would help as much as possible, and if every citizen in the respective communities would give that measure of charity which it is incumbent upon him to give, I feel sure that cases of distress would be relieved locally without any help from the Government with funds granted under this Bill.

Hon. J. A. CALDER: Honourable senators, I am afraid that the honourable gentleman does not understand the kind of situation that sometimes arises. I shall try to picture just how the city of Winnipeg, for example, is affected by the general unemployment. The nearest large city to it on the west is 178 miles away, and Fort William is the nearest on the east. Winnipeg is practically in the centre of a huge territory, and the unemployed from all over the territory flock to that city. During the last twenty years the city of Winnipeg, largely on account of its location, has had a stupendous problem on its hands.

Hon. Mr. ROBERTSON: It has now.

Hon. Mr. CALDER: To ask the citizens and the municipality of Winnipeg to take care of the unemployment situation—

Hon. Mr. BELCOURT: That is exactly what I suggest.

Hon. Mr. CALDER: That is absolutely silly. They cannot do it.

Hon. Mr. BELCOURT: I beg the honourable gentleman's pardon. It is not so silly as that.

Hon. Mr. CALDER: They might do it—

Hon. Mr. BELCOURT: And they should.

Hon. Mr. CALDER: They might do it, but they should not be called upon to do it at all, because many of the unemployed are not ordinarily residents of Winnipeg. Then there are the cities of Regina, Saskatoon, Prince Albert, Calgary, Vancouver, Toronto, and other cities in Canada—

Hon. Mr. BELCOURT: Montreal and Quebec, and so on.

Hon. Mr. CALDER: Does the honourable gentleman suggest that the citizens and the municipal authorities of those places should take care of all their unemployment?

Hon. Mr. BELCOURT: What I mean is that the municipalities and their citizens should take care of the distress of their inhabitants by providing the necessities of life.

Hon. Mr. CALDER: I submit that the situation should be faced in another way; that the responsibility does not lie upon those people at all.

Hon. Mr. HAYDON: May I ask my honourable friend if the responsibility has not rested on those people in past years? And has not the drift to the cities been going on during most of the twenty-year period which he mentioned?

Hon. Mr. CALDER: There have been many times when the provinces have had to come to the aid of municipalities, as all honourable senators know. Will honourable gentlemen opposite tell me—I should like a straight answer from my honourable friend from Parkdale (Hon. Mr. Murdock)—that notwithstanding the existing situation in Canada the Federal Government should not help to relieve unemployment?

Hon. Mr. BELAND: When my honourable friend refers to unemployment in a large territory around a city—Quebec, for example—has he in mind people who were formerly engaged in a mill or factory, or farmers who are for the time being out of work?

Hon. Mr. CALDER: I refer to people of all classes who are out of employment. Some of the unemployed were formerly working on farms, some in mines, and some in the woods. As I have pointed out with regard to Winnipeg, people who are not ordinary residents of that city drift there from a large area. Now, may I ask a pointed question of the honourable gentleman who put a question to me (Hon. Mr. Haydon)? Does he say that, notwithstanding the existing situation, the Government of Canada should sit still and do nothing?

Hon. Mr. BELCOURT: Nobody has said that.

Hon. Mr. HAYDON: I think that the real question is this: have the municipalities and the provinces fulfilled all their obligations?

Hon. Mr. CALDER: That was exactly the point that was raised by my honourable friend from Parkdale (Hon. Mr. Murdock) when he asked a question of the Minister of Labour.

Hon. Mr. MURDOCK: I beg my honourable friend's pardon.

Hon. Mr. CALDER: Pardon me. My honourable friend asked the Minister of Labour to produce documents showing which provinces and municipalities had asked for assistance.

Hon. Mr. MURDOCK: That is it.

Hon. Mr. CALDER: I ask my honourable friend, does he, knowing the situation as he must know it, say that in the absence of such documents the Federal Government should not assist in relieving the existing unemployment situation?

Hon. Mr. MURDOCK: I say unqualifiedly that the Government should assist when the provinces and municipalities ask it to assist.

Hon. Mr. CALDER: In other words, my honourable friend takes the ground that if there are not sufficient documents on file from the provinces and municipalities asking for assistance, the Federal Government should do nothing at all? I may say that I do not know what documents are on file.

Hon. Mr. MURDOCK: My honourable friend (Hon. Mr. Robertson) says there are documents, and I am ready to take his word. But I should like to see the documents myself, because my honourable friend and I may not read them the same way.

Hon. Mr. CALDER: But does my honourable friend insist that the documents should be there before relief is granted?

Hon. Mr. MURDOCK: I should like to see the documents.

Hon. Mr. CALDER: But does my honourable friend insist that the documents should be there before the Federal Government takes any action to relieve the unemployment situation? I understand the ground taken by my honourable friend is that the responsibility in the present situation rests primarily upon the municipalities and then upon the provinces, and that in the absence of requests from municipalities and provinces the Federal Government should do nothing?

Hon. Mr. MURDOCK: Yes.

Hon. Mr. CALDER: My honourable friend agrees with that?

Hon. Mr. MURDOCK: Yes.

Hon. Mr. CALDER: You still insist upon that?

Hon. Mr. MURDOCK: Yes; but, if my honourable friend will pardon me, I think that the Federal Government got the cart before the horse, and started the agitation for relief.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CALDER: My honourable friend says that the Federal Government put the cart before the horse. Now, speaking seriously, everybody knows that we have not had in Canada for many years such a serious unemployment situation as we now have.

Furthermore, within the next three or four months we shall have a situation worse than anything we have experienced during the last thirty-five, forty or fifty years, in my judgment.

Hon. Mr. COPP: Whom are you blaming for that?

Hon. Mr. CALDER: I am not blaming anyone.

Hon. Mr. COPP: Fine!

Hon. Mr. CALDER: Undoubtedly there is unemployment in every country of the world to-day, with the exception of France. But we are concerned chiefly with the situation in our own country, and when my honourable friend takes the stand that this situation can be handled by the municipalities or the provinces, and tells me, in effect, that the Federal Government should not give any relief at all—

Hon. Mr. MURDOCK: Until it is asked for, I said.

Hon. Mr. FORKE: May I make a remark? My honourable friend from Saltcoats (Hon. Mr. Calder) has referred to the drifting of large numbers of unemployed persons from the rural districts to the cities. From what I have observed, fewer rural people have drifted into the cities this year than in former years.

Hon. Mr. CALDER: I spoke, not of farmers, but of men who had been working in the mines and forests, principally.

Hon. Mr. FORKE: I do not mean farmers. I mean classes other than farmers. I do not think there will be as large a drift into Winnipeg and Regina—

Hon. Mr. CALDER: Why not?

Hon. Mr. FORKE: Because there was no unemployment in the rural districts last summer.

Hon. Mr. CALDER: What about November?

Hon. Mr. FORKE: It was among the industrial classes. I am not arguing that Winnipeg is able to cope with its problem; but the difficulty does not arise from the rural people floating into these cities.

Hon. Mr. CALDER: The honourable gentleman speaks of "rural people." What does he mean? Are they farmers? Farmers' daughters? Farmers' wives? Farmers' children?

Hon. Mr. FORKE: They are labourers.

Hon. Mr. CALDER: What is the farm labourer going to do from November till March?

Hon. Mr. CALDER.

Hon. Mr. FORKE: If he has worked all summer he does not need any assistance.

Hon. Mr. CALDER: Where is he going?

Hon. Mr. FORKE: He can live in the city if he wishes. But there is no big flow of rural people. I do not mean farmers. I have a great deal of sympathy with what the honourable leader of the Government has said in regard to the farmers of the districts that have had crop failures. I do not think the honourable member from Ottawa (Hon. Mr. Belcourt) really understands the situation those people are in, because he suggests that they can be assisted by their neighbours. The position of their neighbours is similar to their own. Whole districts are affected, and I think they can legitimately receive assistance, even from the Dominion Government.

Hon. Mr. CALDER: We have had a very interesting discussion, but after all it boils down to this main question: is the situation in Canada such that the Federal Government should come in and assist? I thoroughly agree with the honourable senator from Parkdale (Hon. Mr. Murdock), as I am sure every member of the House will, that not only primarily, but ordinarily and usually, and nine-tenths of the time, the Federal Government should not intervene; that the question of unemployment is local and provincial. But, as I say, the main question is whether there has been developed within the past year, or a lesser period, a situation that necessitates federal assistance. In my judgment the answer is yes. I have tried to give reasons. I cannot say any more on that point. It is one that every member must decide for himself.

The second point is this. The Government, in its wisdom—rightly or wrongly—is providing a fund of \$20,000,000—

Hon. Mr. BELCOURT: It is Parliament, not the Government.

Hon. Mr. CALDER: Yes. Parliament is providing an unemployment fund of \$20,000,000—something absolutely unprecedented in Canada. In the expenditure of that money there lies, in my judgment, the very gravest danger, and whoever is responsible for the expenditure—I do not know who it will be—should at all times take the greatest possible precaution to see that it is a proper expenditure and that the money is accounted for.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CALDER: I do not know what machinery is necessary, but this money is going to be expended to a very large extent

through the municipalities, and I would impress upon the Minister of Labour the importance of never putting his signature to any document approving the expenditure of a single dollar unless it is for a proper purpose and will be accounted for.

Hon. Mr. MURDOCK: Will my honourable friend go a little further and say what he thinks is a proper purpose?

Hon. Mr. CALDER: I can give you a thousand proper purposes.

Hon. Mr. WILLOUGHBY: It is obvious that we are not going to get through with this Bill to-night, and I would move that the Committee rise and report progress.

Hon. Mr. DANDURAND: Would you allow me a question?

Hon. Mr. WILLOUGHBY: Certainly.

Hon. Mr. DANDURAND: Money will be furnished by the Federal Government only when there exists an exceptional condition which is beyond the powers of a province. Now, who will be the judge of that exceptional condition? I have put this question to the honourable the Minister of Labour (Hon. Mr. Robertson), but he has had so many other questions to answer that he has not yet answered this one. Have we in the Labour Department, or in some other department, data bearing on the condition of unemployment during, say, the last five years? I am speaking of towns of 5,000 and more, and of normal conditions; not of a situation in which there are tens of thousands of people flocking around a centre like Winnipeg. Have we any idea of the normal state of unemployment during ordinary, fair years, so that by comparison we may know what is an exceptional condition in this town or that?

Probably my honourable friend will answer that the Provincial Governments will judge whether or not an exceptional condition exists in any of those centres. I agree with him when he says that \$20,000,000 would not go very far. My fear is that municipality after municipality and town after town will try to load on this Government a share of charges that do not belong to it. Towns can take care of the ordinary number of unemployed during the year. It is seldom that a province is called upon to help a municipality. Public-spirited citizens, charitable institutions, and organizations of all kinds are asked to contribute even before the municipality is called upon. I fear that if there is no means of comparison as to what is an exceptional condition, municipalities from the Atlantic to the Pacific will

be forwarding requests for relief from a condition which otherwise they would take care of themselves. The kernel of the difficulty is, what is an exceptional condition? I have asked my honourable friend (Hon. Mr. Robertson) if he has anything—I am not so much interested in seeing it, but if he has it he can give it to us—that will indicate the normal, natural state of unemployment during the various seasons of the last five years. When demands are made, the duty of scrutinizing conditions may devolve upon him. My impression is that the demands will come through the provinces. I cannot conceive that appeals stating the requirements will be made to the Department of Labour through the municipalities. I should imagine that they would be centralized in the hands of the various executives of the country. If this is so, will the Federal Government accept the statements from the various provinces without sifting the merits of the claims made by the various municipalities? With thousands of municipalities throughout the country all anxious to draw on this fund, we must realize what it will mean to hand out money right and left. I believe we are all at one in thinking that the Federal Government should help, through this fund, wherever there is an exceptional condition of unemployment. We are providing money and employment in order to help solve the unemployment problem when it is beyond the capacity of the municipality or of the province.

I have not repeated all the questions that I put to my honourable friend. He will find them in Hansard to-morrow morning. Probably there are some that he could answer now. But again I put the most important one: who will have the last word in deciding what is an exceptional condition?

Hon. Mr. McMEANS: Winnipeg has been mentioned frequently in the discussion. As I have not the exact figures, I hesitate to say anything on this subject. I will try to have the figures to-morrow. I may say now, however, that the situation in Winnipeg is very acute. I doubt whether any honourable gentleman realizes fully the seriousness of the situation prevailing in that city last year, or can have any idea of what it will be during the coming winter. The city has exhausted practically all its resources in an endeavour to cope with the problem. Meetings of the unemployed have been held time and again in front of the City Hall, violence has been threatened, and the police have been called out. This condition, in my opinion, has led many people to join the Communists. In

the last election in the Province of Manitoba a very large number of votes were cast for the Communist candidate; and the city of Winnipeg has probably the only Communist alderman in America.

The unemployment problem in Winnipeg is serious. In no other city in the Dominion of Canada has as much been done, by the city or by the citizens, in an endeavour to meet the situation. If the honourable gentleman from Parkdale (Hon. Mr. Murdock) had read the Winnipeg newspapers last December he would have seen copy after copy of telegrams sent to the Dominion Government by the mayor, the city council, the Veterans' Association and other public bodies, demanding that the Prime Minister do something to relieve the situation.

Hon. Mr. MURDOCK: Does the honourable gentleman think that that was the proper channel of communication?

Hon. Mr. McMEANS: When people are starving any channel is a proper one through which to bring the situation to the attention of the Dominion Government. For some time, those telegrams were not even answered, and when at last a reply was received, it was that this was a matter for the province alone to deal with. Unless this situation is met there will be violence. The money that is to be spent will be well spent if it staves off a movement that will go to increase the Communist vote in the Dominion.

Hon. Mr. CALDER: As the Minister will be speaking to-morrow, I wish to say just a word more. I quite agree with the honourable the leader of the Opposition (Hon. Mr. Dandurand) that there is the gravest possibility of danger in the administration of these funds. There will be thousands of applications from all over Canada; everybody will be wanting to dig into the fund. Now I am going to ask the Minister of Labour a question. He will be able to reply to-morrow. I thoroughly agree with what has been said by the honourable member from Winnipeg (Hon. Mr. McMeans). I have been in the neighbourhood for forty years and know conditions as they exist in Winnipeg. The same conditions exist in cities like Toronto, Hamilton, St. John and Halifax. But applications will come in from every hamlet and village in Canada, and I should like to ask the Minister what precautions are going to be taken to prevent abuse in the expenditure of these funds.

Hon. Mr. ROBERTSON: Lest the question just asked by the honourable member should

Hon. Mr. McMEANS.

be forgotten, I should like to give a brief answer now, and, if he desires it, a further one to-morrow. The greatest safeguard in the expenditure of this fund is the fact that for every dollar spent by the Federal Government the municipality and the province must also spend their money. If my honourable friend (Hon. Mr. Dandurand), for example, were representing the Federal Government, and my right honourable friend (Right Hon. Mr. Graham) a province, and I a municipality, and I confessed my inability to meet the obligations pressing upon me, and applied to my right honourable friend for assistance, and if my honourable friend who leads the Opposition (Hon. Mr. Dandurand) were to say, as the representative of the Federal Government, "We will help you because of the situation you are in," I would render to them a detailed account of all the expenditures, together with the vouchers and the cost, for their inspection, and, I submit, there would be no great danger of anybody being cheated.

Hon. Mr. BUREAU: Who gets the voucher first? The province or the Federal Government?

Hon. Mr. MURDOCK: My recollection is that in 1922, for the city of Winnipeg—

Hon. Mr. BUREAU: I ask an answer to my question.

Hon. Mr. MURDOCK:—vouchers were submitted indicating that money had been expended for bread, coal, tea and other necessities to the amount of \$18,000. That is my recollection as to that kind of relief, outside of the excess cost of employment. Then the Provincial Government O.K.'d the account and paid it, and the Federal Government paid its third. If that is the case, we need not fool ourselves by talking about knowing when a couple of loaves of bread or a pound of tea are going to be handed out. My honourable friend the Minister of Labour will get only the total bill for these expenditures, with the indication that the municipality in the first place has paid the money, the province has recognized its share, and the Federal Government's share is so much. In my judgment that is the only way it can be done.

Hon. Mr. CALDER: What is wrong with it?

Hon. Mr. MURDOCK: The question in my mind relates to the public works that will be undertaken. I think there is a great deal to be said about that, because I am afraid that there will be something done with the Government money that will not be just what it should be.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, it is evident that we cannot very well finish this discussion to-night; so I move that the Committee rise, report progress, and ask leave to sit again at the next sitting.

Progress was reported.

CUSTOMS ACT AMENDMENT BILL FIRST READING

Bill 3, an Act to amend the Customs Act.—
Hon. Mr. Willoughby.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, September 18, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

POLITICAL PARTIES IN THE SENATE STATEMENT AND DISCUSSION

Before the Orders of the Day:

Hon. R. DANDURAND: Before the Orders of the Day are proceeded with, I crave permission to make a few remarks with reference, perhaps primarily, to myself, and also to the general atmosphere of the Senate. I noticed last evening that some honourable members of this Chamber spoke of myself as "the leader of the Opposition." During the eight years that I sat in the seat which my honourable friend (Hon. Mr. Willoughby) at present adorns I refrained from the use of that expression when speaking of him or to him, because I did not think that there was in this House an Opposition in the same sense that there is in the House of Commons. I do not believe that the Senate was created with the idea that in it there should be two parties facing each other. I had the very great honour of being selected leader of the Liberal party in the Senate. As I have said before, I recognize that in the country, and perforce in the Senate itself, there are two trends of thought, a Conservative trend and a Liberal trend, which must necessarily appear in our discussions; but here there is not, as there is in the House of Commons, what is referred to as His Majesty's loyal Opposition.

Some public man in Great Britain has said that it is the duty of the Opposition to

oppose. I do not intend to weigh the value of that opinion, but I desire to declare that, as I see it, that is not the part to be played by the members of the Senate who happen to sit on this side of the House. I do not remember having had occasion to mention before that in January, 1922, when the elections had favoured the Liberal party, I suggested to Sir James Loughheed that he should remain on the side of the House where he had previously sat, and that I could lead from this side of the House, because I could not see that we of the Senate ought to take notice of the change occurring elsewhere. He appreciated the opinion that I expressed, but disliked the idea of not following tradition.

Again we have followed tradition, but I have heard the opinion expressed by members of this Chamber that while the leader and some of his principal lieutenants might very well have changed seats, the senators generally might have been left to sit on one side or the other, as they pleased.

I make this statement simply in order that my friends on both sides may refrain from mentioning the leader of the Opposition. I said when I took the leadership of this Chamber that I recognized no followers and shunned the party whip. Our function is to criticize and improve hasty legislation. I know what the Fathers of Confederation said in this regard, and with that in mind I have given expression to this opinion.

Hon. W. B. WILLOUGHBY: Honourable members, I shall refrain from using the expression "leader of the Opposition," as my honourable friend feels that it does not properly describe the role of the leader of any party in this House. I have no doubt that in the conduct of the group whom my honourable friend represents he will adopt an entirely independent point of view. While that point of view may not always be our own, the remarks that he has made lead me to assume that in any event it will not be partisan, and I am grateful to the honourable gentleman, because it will make my task simpler than it otherwise would be.

Right Hon. Sir GEORGE E. FOSTER: Honourable members, whilst I sympathize in general with my honourable friend's (Hon. Mr. Dandurand's) statement that he is not here to lead a factious opposition, and that the Senate does not partake of the rather marked partisan spirit which prevails in another place, yet there is a little difficulty. How are we to discriminate between the Liberal party in the House of Commons and the Dominion,

as led by the late Prime Minister, and the Liberal party—led by that same Minister—in the Chamber to which we are attached? If we wish to have an expression of the opinion of the Liberal party as a whole, and the Government's view is expressed by a representative of the Government in this House, how are we to avoid the technical difficulty that one opinion is opposed to the other? When we wish to address the Liberal party as organized in the federal scheme, to whom shall we appeal? Will it be to my honourable friend from the West, or my honourable friend from the small island in the East, or any other particular member? Or if a Liberal Government, constituted as a whole, wishes to give expression to its policies in this House, how can it do so otherwise than through the gentleman who is selected in its caucus, as I understand, to represent that Government?

I think my honourable friend should have no special objection to being designated as the leader of the Opposition. The Opposition in this country is now led by the late Premier and his Liberal confreres. The Opposition must be represented here in a similar manner. It does not follow from that, however, that my honourable friend shall be guided by the old apothegm that the purpose of an Opposition is to oppose and not to give sympathetic co-operation. Much will depend upon the attitude of mind of my honourable friend himself. He will oppose when he believes opposition is necessary or reasonable, and at other times will sympathize and co-operate. When we appeal to him what shall we say? Shall we say, "my honourable friend the leader of the Liberal party"? Perhaps there will be no very great practical difficulty, but it seems to me that there is some technical confusion in the matter.

UNEMPLOYMENT RELIEF BILL FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 2, an Act for the granting of aid for the Relief of Unemployment.

Hon. Mr. Beaubien in the Chair.

On section 2—grant of \$20,000,000:

Hon. Mr. McMEANS: Mr. Chairman, in making a statement to the House yesterday I said that I would endeavour to secure figures in regard to the unemployment situation in Winnipeg. I have been fortunate enough to meet the Mayor of Winnipeg in

Right Hon. Sir GEORGE FOSTER.

the city of Ottawa, and he has informed me that Winnipeg has expended in the way of unemployment relief since October last, in round figures, the sum of \$1,000,000.

Hon. Mr. DANDURAND: Will the honourable the Minister of Labour give the answers to the questions that I put yesterday?

Hon. Mr. ROBERTSON: My honourable friend the member for De Lorimier (Hon. Mr. Dandurand) suggests that answers might be given to the queries which he placed on Hansard yesterday. We shall gladly respond as best we can. He asked seven distinct questions, four of which are so nearly related that I think one answer will suffice for them.

His first question was:

I notice that the inquiry sent out by the honourable Minister for the purpose of ascertaining the number of men out of work was sent only to towns having a population of 10,000 or more. Is it the intention to extend the scope of that inquiry in order that the needs may be met wherever they exist?

May I say, in answer to that question, that every municipality in Canada, no matter what its population, has equal right and opportunity to place its needs and proposals before the proper authorities, and that equal consideration will be given to all communications regarding needs and proposals, wherever or whomsoever they come from.

The next four questions asked by the honourable gentleman were:

Is it the intention of the Government to limit the aid to men completely out of work, or is it to be extended to those who are only partially employed?

Is it the intention of the Government to help manual labour exclusively?

Will such men as are engaged in what we call seasonal occupations and are thrown out of work by the cessation of activities—for instance, by the closing of ports for the winter—be able, under this legislation, to qualify for relief?

Will those men, otherwise regularly employed, who are temporarily suspended, as happens when large corporations close down for a few weeks or a month or two, be entitled to ask for relief?

These questions all seem to be closely related, and my observations will be by way of answering them jointly.

The determination of the question whether any person who has been out of work for a short or a long period shall receive relief rests with the municipal authorities. If they deem it necessary to give assistance to any citizen, they will assist him, and the Government purposes to contribute a certain proportion of the amount they expend in so doing.

My honourable friend's next question was:

Has the Labour Department or the Bureau of Statistics any data covering unemployment, seasonal or other, as it has existed in past years in various localities?

So far as I know, no definite record covering unemployment has ever been kept. My honourable friend, who was a member of the late Government for nearly nine years, can probably answer that question as well as I. The only information on file in the Department of Labour extends back over a period of almost twelve months. It is voluminous, but does not indicate the number of unemployed in various localities. The only information in that connection that may be regarded as reasonably authentic is that which has been received from the regular weekly reports sent in by the Employment Service offices. Usually those reports refer to the condition of unemployment, the demand for labour, the number of unemployed who have registered, and the number that have been placed in positions, but there is no accurate record of the number actually unemployed. The Employment Service Council of Canada, which met in Ottawa on August 21, passed a resolution urging that a census of the unemployed be taken, and the Prime Minister has announced in another place that the recommendations of the Council have been accepted and adopted by the Government. Resolution No. 12 as submitted by the Council reads:

That this Council urge upon the federal authorities that provision be made for an adequate census of the unemployed in Canada in connection with the 1931 decennial census.

Mr. Coats, the head of the Bureau of Statistics, was present at that meeting and stated that not only was it possible to make such a census, but steps had already been taken for the preparation of forms for the purpose of obtaining such information in the decennial census next summer. An attempt will be made to survey the unemployment situation and ascertain how many persons are out of work, what their vocations are, how long they have been idle, and other relative matters.

The next question asked by my honourable friend was:

Has the Government any data showing the number of unemployed who in past years have been assisted by local authorities in towns or cities?

The only answer I can give is that the Department of Labour has no information on this point; but, if it is of any interest to the House, I may say that when the previous depression existed, in the winters of

1920-21 and 1921-22, the total of the Federal Government's contribution was \$1,845,000. Each of the provinces and each municipality that petitioned for relief bore one-third of the cost; so a sum between \$5,000,000 and \$6,000,000 was expended on unemployment relief at that time. But there is no record of the number of persons who were assisted.

Hon. Mr. BELCOURT: May I ask my honourable friend whether there is any record of the places where these moneys were expended?

Hon. Mr. ROBERTSON: I can give the figures for the various provinces. Alberta got \$117,000, British Columbia got \$402,000, Manitoba \$249,000, New Brunswick \$4,800, Nova Scotia \$10,600, Ontario \$900,000, Quebec \$76,000 and Saskatchewan \$83,000—a total of approximately \$1,845,000. The amount for each province is stated in round figures.

Perhaps I can give a little information which will answer the question asked by my honourable friend from Parkdale (Hon. Mr. Murdock) yesterday. He said:

I have undertaken to read rather carefully what my honourable friend refers to, but that does not give me the information that I am asking for. If we in this House are entitled to that information, I still insist that I should like to see the concrete evidence that municipalities or provinces did ask for financial assistance to deal with the unemployment problem. Personally I doubt it, with all due respect to what I have read.

I shall not delay the House by relating details, but I should like to refer to one incident which I think will form a reasonably accurate answer for my honourable friend. There are eleven large files from which information may be taken, but, as I have said, I shall make but one reference here. On January 31, 1930, there were gathered together in Manitoba a number of delegates representing cities and provinces of Western Canada, and on that occasion a number of resolutions were adopted. In consequence of the apparent seriousness of the unemployment situation as set out by the gentlemen representing the Prairie provinces and Prairie cities at that meeting, the Legislature of the Province of Manitoba on February 3 took cognizance of those resolutions and dealt with them. I read from the Votes and Proceedings of the Legislative Assembly of Manitoba:

By leave of the House the Hon. Mr. Major moved, seconded by Hon. Mr. Haig, and the question being proposed, namely:

Whereas general unemployment in the Province of Manitoba has brought distress to a large number of citizens; and

Whereas resolutions were passed on January 23, 1923, and on February 7, 1924, by the Legis-

lative Assembly of Manitoba to the effect that unemployment is essentially a national problem, and one which should receive the assistance, close co-operation and financial aid of the Government of the Dominion of Canada; and

Whereas at a conference between the representatives of provincial governments and the Government of the Dominion of Canada, held at Ottawa on September 5, 6 and 7, 1922, and at a similar conference held at Ottawa on September 3 and 4, 1924, resolutions to the foregoing effect were also passed; and

Whereas, for the following reasons the assistance, co-operation and financial aid of the Government of the Dominion of Canada is necessary in working out the solution of the problem of seasonal and general unemployment:

(1) No province or city can individually undertake to provide work for the unemployed during periods of depression without making that province or city the "Mecca" for the unemployed located beyond its boundaries, and thus taking upon its shoulders the problem of others.

(2) That investigations reveal the fact that unemployment is greatly aggravated by the flow of new immigrants into Western Canada, many of whom have been admitted as agricultural labourers, and who have undertaken farm work for a short time only or not at all, and who are now located in our urban centres, either unemployed or holding jobs that might otherwise have gone to some of those that are unemployed. Since immigration into Canada is in the sole control of the federal authorities, and is a problem which to a great extent is caused by immigration, it is, therefore, one which demands federal attention.

(3) The placement services maintained by transportation companies have directed many of the new immigrants into other than agricultural work, and have been very active endeavouring to find jobs of any nature for men brought out. This has had the effect of depriving men already here from obtaining work available, and men are now stranded and on the hands of local authorities. This condition has been allowed to develop by the Dominion Government, which is a good reason why it should share in dealing with the problems thus created.

(4) Many of the men who are unable to find work are in such situation because of war experiences and war disabilities, even though not in receipt of pensions, and constitute an after-war problem and are a federal responsibility.

And whereas, the Hon. W. L. Mackenzie King, Premier of the Dominion of Canada, wrote the Hon. John Bracken, Premier of the Province of Manitoba, a letter dated at Ottawa on January 8, 1930, which read in part as follows:

"Should it appear that the provinces of the Dominion and their respective municipalities are not in a position to cope with unemployment within their respective jurisdictions, and we are so advised by the several provinces, we shall be prepared to consider what course it may be most advisable to take, in order to cope with a national problem of the kind."

Be it therefore resolved:—

(1) That this House is of the opinion that unemployment is essentially a national problem, beyond the power of individual provinces to cope with satisfactorily, and we respectfully urge the Government of Canada to grant assist-

ance, co-operation and financial aid to the provincial and municipal governments in dealing with unemployment on an equitable basis.

(2) That this House is of the further opinion that unemployment of ex-service men is a national problem, and we respectfully urge the Government of Canada to care for and assume responsibility as a national undertaking for the care of such persons.

And the Question being put, it was agreed to unanimously.

That is the record of the Manitoba Legislature. Now, following that session of the Legislature—

Hon. Mr. MURDOCK: May I ask a question before the honourable gentleman gets away from that? The passing of that resolution and the action that my honourable friend has just quoted indicate on the part of the Manitoba Legislature a marked departure from the principle enunciated by the previous Government and also laid down by this Government in the first words of Bill 2:

Whereas unemployment, which is primarily a provincial and municipal responsibility—

Is not that action of the Manitoba Legislature only one exception taken to the principle declared by the previous Government and by this Government, that the municipal and provincial governments had primary responsibility in the matter?

Hon. Mr. ROBERTSON: I thought my honourable friend intervened to ask a question, but I do not yet perceive what his question is. May I proceed with the inquiry he made yesterday? Then I shall answer his present question if he so desires.

The resolution I have read was adopted by the Manitoba Legislature on February 3, at the urgent request of municipal authorities who had attended the conference, in which representatives of Manitoba and the other Prairie Provinces participated. The next thing that occurred was a request on the part of provincial and municipal governments for the opportunity and courtesy of a conference with the Government at Ottawa. That conference was accordingly arranged for, and was held on February 26. I have in my hand the minutes of that meeting, dated March 1, 1930, which were obviously compiled from shorthand notes taken during the proceedings. There were present at that interview with the Cabinet on February 26 the representatives of municipalities in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and of the provincial governments of Manitoba, Saskatchewan, Alberta and British Columbia. It would be perhaps uninteresting and would take up entirely too much time to read the 27 pages of the record

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of what occurred, but the result of that conference is briefly summed up in the last paragraph of the Prime Minister's statement in reply to the gentlemen who waited upon him. As I understand, there were about 50 municipal or provincial delegates present. The words of the Prime Minister of that day were:

That the Federal Government would be prepared to assist in any way possible in this regard. He suggested a federal, provincial and municipal conference on the subject, and the resolution submitted by the delegates, he said, would receive the attention and consideration of the Cabinet.

I hope that this information will be sufficient to satisfy my honourable friend from Parkdale (Hon. Mr. Murdock) that an honest and earnest attempt was made by many municipalities, supported by several provincial governments, to bring the unemployment situation to the attention of the Dominion Government. They went so far as to resolve unanimously that a delegation of these various municipalities and provinces should proceed to Ottawa and meet the Government. The answer given by the Dominion Government on the 26th of February, 1930, is set forth in the final paragraph of the Prime Minister's statement. As is well known, Parliament had opened only shortly before that conference took place, and remained in session for several months afterwards; yet, in the face of all those official requests submitted to the Cabinet of that time, no assistance was granted.

Hon. Mr. MURDOCK: I am still without concrete information that any proper request was made through a municipality and through a province for unemployment relief. What my honourable friend from Welland (Hon. Mr. Robertson) has just stated to us only confirms the view that I held last night, which I still hold to an even more marked degree. The Manitoba Legislature, it is true, passed extensive legislation relating to the question of unemployment. More power to them! But they started off by disavowing any authority or control over the problem, and were quite willing to unload the entire burden upon the Federal Government. The Federal Government, of course, declined to accept the burden. The new Federal Government, in the language of Bill 2, also declined to accept the view held by the Manitoba Legislature. I am very sorry to have to say to my honourable friend that I doubt if there is in the files of the Department one piece of concrete evidence of a bona fide request made by a Provincial Government to the Federal Government to come to the assistance of that Provincial Government in dealing with the problem of

unemployment in any municipality or municipalities. Certainly the evidence has not been placed before me by the honourable gentleman, and I still think it proper to ask that the information be laid on the Table or be given to me so that I may see it.

Right Hon. Sir GEORGE E. FOSTER: Mr. Chairman, this seems to be an almost interminable controversy between my honourable friend who has just taken his seat (Hon. Mr. Murdock) and my honourable friend in charge of this Bill (Hon. Mr. Robertson), who from the book itself has produced evidence in confirmation of his statement. The discussion, though pleasant, amicable and informal, has already been in progress for some hours and will probably continue for some hours yet. Before it breaks out anew I desire to express my views on the question in a somewhat general way. Should I take a little more time than I might if I were addressing myself simply to this Bill, my excuse will be that what I have to say is also germane to two other measures, one of which has been passed in the Lower House and is now before us, and the other of which is at present under discussion in the other Chamber. I shall discharge my responsibility and express my sentiments with regard to the tripartite legislation.

In the first place, I think that each one of us, in making up his mind on this legislation, should try to envisage accurately the situation as a whole. In attempting to do this I note first that an unusual condition prevails, and has for some time prevailed. It has become more marked from week to week and month to month, as has been exemplified in the discussion. I shall not undertake any exposition of the causes of the situation. It is sufficient to say that, as it really exists, it must be dealt with as a fact. Briefly, the falling of the prices of commodities and the restriction of production in the industries of the country have resulted in a lack of employment and consequent widespread distress throughout the Dominion. The tremendous fall in the price of wheat affected the great basic industry of this country, as well as other industries. I agree entirely with those who say that the distress is probably not so great in this country as elsewhere. I do not think it is so great or so widespread in Canada as it is in the great country to the south of us. This condition existed when Parliament convened last session. The intensity and extent of unemployment and distress, and what ought to be done to relieve the situation, were thoroughly discussed in another place. On the one hand there was a disposition to make as little as possible of the intensity and

dimensions of this depression; on the other hand there was a desire to state the facts fully, and perhaps to over-emphasize them. There was on the one side a demand that Parliament should take action to afford relief, and on the other side there was a tendency to throw back on the municipalities and the Provincial Governments the sole responsibility of providing whatever unemployment relief was necessary. Such, briefly and very casually, was the position.

There followed on that unusual condition an unusual election. As a result of the controversy that had been carried on for many months while the session lasted, the Government of the day at last said to the Opposition: "We do not agree with your contentions or your proposed methods; we believe that we are right and that you are wrong; but let us go to the country and have the people decide, and then we shall have an authoritative Government, fresh from the people, administering the affairs of the country and endeavouring to provide methods of relief and betterment." The Government of the day had entirely within its own hands the privilege of deciding upon the time of the election. It had all the circumstances of the case fully in view. It knew that the Imperial Conference was to take place in a certain month of the year 1930, and with that in mind it made every possible effort—and in this respect it was successful—to have the election over in time to give the delegates from Canada a reasonable opportunity to consider the situation and to consult with one another in preparation for the Imperial Conference. Then the election was called, and took place.

I have said that this was an unusual election. It was unusual in this respect, that never in the history of Canada, and perhaps never in the history of any country, had there been an election campaign in which the information supplied by the contending parties was more widely distributed and more effectively stereotyped. I use that word designedly. It was no longer possible for either of the opposing parties in their public canvass to put forward one programme in one section of the country and another programme in another section. Radio broadcasting was utilized. Statements made at a central point were broadcast to millions of hearers all over the country and published in the press in every quarter of the Dominion. So when the Prime Minister made his statement at Brantford, or when the leader of the Opposition made his statement at Winnipeg, it was made not simply for the people of one city and its vicinity, but for the people of the whole country. It was stereotyped and

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ineradicable, and could not be gotten away from, and consequently could not be varied according to exigencies of climate or geography. I think that never before were the electorate of the Dominion of Canada more carefully or more thoroughly indoctrinated in the policies and proposals of the two opposing parties than in the election in July. I am glad that it was so. I feel that a very great gain has been made in the public life of Canada. No longer can the leader of a party evade responsibility for his statements: they are heard or read in all portions of the Dominion of Canada. There can no longer be any shuffling or variation of policies except in secret conclave. At last we have eliminated the primary difficulty that used to exist, namely, that the policies, proposals and methods of the contending parties were not thoroughly known in the whole constituency of Canada. In this respect the last election was unusual.

The election was unusual, too, in its result. Was the leader of the Opposition himself, or the leader of the Government, surprised at the result? If their inmost sentiments could be ascertained, it would be found, I doubt not, that both leaders were surprised that the result was exactly as it was. It was a satisfactory result in this respect, that after the fullest of canvasses the sentiment of the people was expressed in no uncertain terms. The leader of the Opposition said to the electorate of Canada: "Honour me with your confidence, put me and my party into power, and we will do thus and so. Signed, R. B. Bennett, for the Liberal-Conservative Party." And on the 28th of July the electorate of Canada marched to the polls and signed the contract, giving the present Government a majority of some thirty-eight over all other groups and parties. There is the contract, the promise made and signed by the Liberal-Conservative Party and attested to by the electors of this country, after a contest conducted on a common basis and by common electoral methods with a party under the direction of the late leader of the Government; that is, with the Government party itself.

Then comes the corollary of that—an unusual and unprecedented session of Parliament; the session in which we are now engaged. The promises made and the policies advanced by the party now in power were plain and legible, and thoroughly understood from one end of the Dominion to the other by the total electorate. One of those promises was that a special session of Parliament should

be called to deal with unemployment. That promise was an element in the election contest. It was made by the leader of the Opposition, was taken into consideration by the electorate of Canada, and was endorsed by them as one of the major policies of the Liberal-Conservative Party. That is why this session of Parliament has been called.

Now the Government has introduced three Bills for the relief of unemployment. Two of those Bills have been passed in another place and are now in process of consideration by this House. These Bills embody the policy and implement the promises of the Prime Minister as set out by him during the election campaign.

There is the situation we have to envisage now. What should we do to meet that situation in a common-sense, non-partisan way? We have experience and ability on both sides of this House. I doubt that there ever was in the Senate a more representative or more practical body of legislators than is found here to-day. I cannot count on the fingers of both hands the honourable members who have had long experience in political administration. The Bills which are to come before us are the outcome of the recent election and we in this House should take cognizance of what the people have asked to have done. Should we reject the measures? I have noted some expressions of opinion entirely in disagreement with the principle of the present Bill. Every honourable member has the privilege to agree or to disagree with any proposal brought before the House, but I take it that it is the consensus of opinion on both sides of the Chamber that we are not here to reject the measures that the Government is sending to us at this session. To reject these Bills would be to reject the instructions of the electorate, who gave full power to the present Government for the inauguration and carrying out of its policy with respect to unemployment. If we decide not to reject this Bill, should we amend it? If honourable members are considering an amendment, should they not ask themselves what good would come of any change proposed by this Chamber? The Government having put before us certain measures, the party in opposition to the Government has discussed those measures in caucus and in another place and devised such amendments as seemed to it to be feasible and reasonable, and its proposed amendments have been presented to the other Chamber and rejected by a large majority.

Hon. Mr. DANDURAND: Not all.

Right Hon. Sir GEORGE E. FOSTER: Thirty-eight in one case and fifty-two in the other, I think.

Hon. Mr. DANDURAND: Not all of them.

Right Hon. Sir GEORGE E. FOSTER: No; one Bill is still under discussion in another place, but the Bill that we are at present considering has been passed there.

Hon. Mr. DANDURAND: But the next Bill on our Order Paper was amended in another place.

Right Hon. Sir GEORGE E. FOSTER: That Bill was passed there.

Hon. Mr. DANDURAND: But it was amended in another place.

Right Hon. Sir GEORGE E. FOSTER: Well, it comes to us with whatever amendment was agreed upon there, as the consensus of opinion of both the Government and the Opposition in the other House; it comes to us in such a form, that I do not think we can improve it. But even if we did make amendments, should we have any reasonable ground for supposing that the other House would accept them, after rejecting amendments which the Opposition in the other place considered feasible and salutary? It seems to me that nothing would be gained by our attempting to send these measures back to the other House with amendments.

I think, honourable senators, that there is only one sensible course for us to pursue, and that is to pass the measures and to hold the Government absolutely responsible for the way in which they are put into effect. The Government will have to meet Parliament again, and in both Chambers there will be a full opportunity for a review of its administrative acts.

A demand has been made as to the application to this measure of a rule which I think should always in ordinary circumstances be strictly followed, namely, that Parliament should be given complete and definite details of the measures of relief that it is intended shall be undertaken. Would it be practicable to follow that suggestion in the present instance? In order to safeguard the expenditure of public money it is ordinarily essential that Parliament should be furnished with details of the sums to be spent. Another safeguard is the audit by the proper officials of all expenditures. These conditions, it seems to me, ensure fairly safe administration of public money. But to my mind it seems clear that we cannot at this time rigidly apply these two safeguards in connection with this appro-

riation. In the first place, what, if any, expenditures has the Government already decided to make? Secondly, who can foretell what the emergency situation will be in a few weeks, or three or four months from now? While, of course, an audit cannot be made until moneys are expended, we have the satisfaction of knowing that every municipality has its own auditors, who have to report to the municipal council. Further, every Provincial Government has its auditing machinery, which in some respects, and perhaps in all respects, is as good as the federal system. Not only will audited accounts of all moneys spent by the Provincial Government for unemployment relief be presented to the respective Legislatures, but the Public Accounts Committee of every Legislature will have full opportunity to review all expenditure. These safeguards, combined with a vigilant public opinion demanding the honest application of the moneys towards the relief proposed, and the certain revision of results which will be made at the next session of Parliament, will reasonably and effectually prevent abuse.

No words which have been spoken in this Chamber have been too strong to express my opposition to the introduction into this country of any system of relief founded upon the principle and practice of the dole as in Great Britain. No honourable member on the other side of the House would more sincerely deprecate than I should the introduction of any such thing in this country. I realize that the Government will be faced with a big problem the moment it is made known that the sum of \$20,000,000 had been voted and placed at the disposal of the Governor in Council. All over Canada localities will be hoping to get some of that money, and the practical politician will be at work in every hamlet, village, town, city and electoral district of this country, advising those who may be disposed to seek relief from unemployment by their own efforts: "Don't go too rapidly. There is a bag of twenty millions at Ottawa. See what you can get from that first." That sort of advice will to a certain extent whet the appetites of numerous localities for a share of the \$20,000,000. But, human nature being what it is, I do not think such demands can be averted. We must remember that the Government has the responsibility of discriminating with regard to the distribution of the money, and refusing to grant the demand from any municipal, provincial or other quarter. The Government has my sympathy and good wishes because of the onerous duties—in some respects, the invidious duties—which

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it will have to undertake in distributing this appropriation.

As I have stated, there must inevitably be a process of elimination in connection with the applications that will come to the Government for relief. When first the idea of appropriating a lump sum for the relief of unemployment was bruited, there began a sort of competition among the provinces, which were anxious to get their full share of the millions that might flow from the federal treasury. Well, what has been stated in another place has pretty well resulted in putting an end to that competition, and the provinces now know that not a dollar of the money granted under this Bill will come to them for purposes other than the relief of unemployment and distress. For example, if it so happened that there was no unemployment in five of the provinces, then not a dollar of the money granted by this Bill would go to any one of those provinces; all the relief would be extended to the other four provinces.

But this process of elimination would need to be carried further. At first the popular impression seemed to be that no person in this country should go without employment while this fund made employment possible, and that relief would be granted to every unemployed person in the Dominion of Canada. Now, I do not understand such to be the object of this Bill at all. The sum of \$20,000,000 is not to be appropriated for the relief of all persons who are without employment for the time being, but is to be applied only for the relief of urgent, unusual and emergent cases of distress. It is not the intention to give aid in any municipality to every person who is out of work; assistance is to be given only to those persons who are suffering and in a state of distress because of their unemployment. You may have in a locality four members of a farmer's family who are partly employed in winter services on the farm. But if two of them are not necessary for that work, and are therefore out of employment, those two have no claim upon this fund; they are a family encumbrance, so to speak, and a family responsibility.

This process of elimination can be carried still further. Take the case of a man who has been in some business as a foreman or director: the business has gone flat, and his salary for the time is suspended. So he goes home. He received a good salary for a portion of the year, and his earnings and savings and credit must carry him through. He has no right to any portion of this fund.

So it becomes the Government's duty, and a most onerous one it is, to eliminate, to discriminate, and then to decide who are the rightful claimants to this fund, and the extent to which they shall participate. The Government cannot abdicate its position as a supreme and ultimate judge of the degree, quality, and applicability of the relief given. So much with reference to the general principle.

I noticed with a great deal of satisfaction that in another place a wise and practical suggestion was made. It was that there should be, coincident with the relief of unemployment, an enlightened and persistent propaganda impressing upon the minds of our citizens their individual, local and corporate responsibilities in the matter of relief. In a time of distress and suffering such as this I do not see why the human unit should not be reminded of his duties in this matter, as well as the Government which acts for all the units of the Dominion. I argue in this way: I happen to be a householder in the not lightly taxed city of Ottawa. I have found, like other householders, that a house has an appetite and requires a great deal from its owner for repairs of every description. I considered the necessity for the painting of my house. I had no idea of commencing the job at present, but I thought that in a year or two it would be to my advantage to paint it, for preservation and for enhanced appearance as well. But I began to think along this line: if it is to be done, and I have the money with which to do it, why not do it now in this period of extra depression? So \$250 or \$300, a modest amount which I thought I could command, will go into the general employment fund for painters and painters' products. Now, Ottawa is a city, we will say, of 150,000.

Right Hon. Mr. GRAHAM: I think that is an emergent number.

Right Hon. Sir GEORGE E. FOSTER: Well, we will say there are householders or homes in Ottawa to the number of 20,000 or 30,000. Suppose that a fourth of that number of householders are able, without violence to their pockets, to make some improvements to their homes by carpentry or painting, or the like of that, and are able on an average to expend as much as I purpose to expend: that would create a fund for extra employment of a little over \$1,000,000 in this city of Ottawa alone. If similar action were taken in other centres throughout the Dominion, and even a small proportion of householders undertook to have such work done for their own homes, you might be sur-

prised to find that in the whole of Canada you would have a total of some \$50,000,000, which might be thrown into the unemployment vacuum. Thus every locality would be stimulated to a wonderful degree. That is the best distribution that could be made. If it were possible in this way to conduct propaganda, in which the newspapers would be glad to join, and in which every department of the Government could assist, it would do a mighty work throughout this Dominion.

I wonder whether it is not possible to take similar action on another line. I have read that the citizens of the Province of Ontario in the year 1929 marched up like little men to the liquor shops of that province, now carried on under the ægis of the Ontario Government, and deposited \$55,000,000 on the counter, and got their beer and wine and whiskey in return therefor. I wonder what proportion of that \$55,000,000, if it had not been deposited on the counters of those liquor stores, would have gone into food, fuel, clothing and comforts for the homes of this country, and thus vivified to an enormous extent the productive and commercial and economic interests of this country?

Some hon. SENATORS: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: But \$55,000,000 in the Province of Ontario is not the whole bill. Bootlegging has not stopped. Bootleggers still live; they ply their trade, and every sensible man, every citizen with two eyes in his head, every reader and observer, knows that there is a lot of money spent for the illicit purchase of intoxicating liquors. This also has, in large proportion, to be deducted from what otherwise would flow into legitimate channels of commerce and production. But Ontario is not the only sinner. There are other provinces in this Dominion, and it is calculated that altogether, in 1929, nearly \$200,000,000 went from the hands of the citizenship of the Dominion of Canada into the tills of the liquor shops in all the provinces of Canada, and there is no sensible man who would not willingly subscribe to the earnest wish that that money might be diverted so that it would be used for food and clothing and comforts for the family, and the betterment of the people. I say to the honourable the Minister and to the Dominion Government that some responsibility for discrimination rests upon them, and upon the other governments of this country. Would it not be wise to sell fewer permits, especially to men who are out of employment and who are applicants for relief? Is it just or right that one dollar of that appropriation should go to the man

who, though unemployed, or not steadily employed, has his permit and does have—whether he must have or not—his whiskey and beer and wine? In a town to which I was very close in the summer I listened to certain tales of men who were on the streets without employment for many weeks, and who were charitably treated by their fellow-citizens, but who managed, by indirect or other means, to get their daily dole of spirituous liquors. I think it is incumbent upon the Government to use as great discriminatory power as possible to prevent any portion of that money from going to the relief of persons out of work who will not consent to spend it for the purposes of the family and for necessary personal use.

Hon. Mr. HUGHES: Would the same thing apply to the consumption of tobacco?

Right Hon. Sir GEORGE E. FOSTER: Now, I thank my co-members of the Committee for the patience with which they have listened to me. The remarks that I have made on this Bill contain those that on general principles I would make upon all. So I have made really three speeches in one, and I commend them to you.

Hon. C. E. TANNER: I wish to take only two or three minutes to give the House some information which I hope is pertinent, and which I happen to have in my possession. When I returned to the city of Halifax at the close of the last session, my attention was called to the fact that steamers arriving in that port were landing immigrants. Being in contact with some officials of the Immigration Department in that city, I learned that such steamers were coming very frequently, and I became so interested that, during July and since, I endeavoured to ascertain the number of immigrants who have landed at the port of Halifax since the first of this year. My desire in that regard was intensified a little by reading the addresses of candidates of the Liberal party in various parts of the provinces, in which they assured electors that the Government then in power had put a complete embargo upon immigration.

Now, I have in my hand a return of the Bureau of Statistics for the six months from January until the end of June, and I find that at the port of Halifax alone during those six months 24,088 immigrants were landed. I was informed that they took train immediately, and practically all of them went to the cities of this country. I find by the statement which I have here that those immigrants came from practically every part of Europe and Asia; that 30 nationalities were

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represented by those 24,088 immigrants. I will read the list if any honourable member would like the information. And I find that in the month of July 1,657 were landed at the Port of Halifax. So the total of immigrants brought into this country during the first seven months of this year, who, I presume, constitute a considerable percentage of the unemployed, numbered 25,745.

Hon. Mr. DANDURAND: Why does the honourable gentleman presume that they are among the unemployed? If they were intended for the farm, would they not have tried farm life for a few months before drifting into the towns?

Hon. Mr. TANNER: They are Albanian, Arabian, Armenian, Austrian, Bulgarian, Czechoslovak, Danish, Dutch, Esthonian, Finnish, French, German, Greek, Hungarian, Icelandic, Italian, Japanese, Jugoslavic, Latvian, Lithuanian, Persian, Polish and Portuguese. These people are not farmers.

Right Hon. Mr. GRAHAM: Some of the best farmers in Canada come from those countries.

Hon. Mr. FORKE: Will my honourable friend permit me—

Hon. Mr. TANNER: My honourable friend will allow me to make my speech first. The honourable senator from Parkdale (Hon. Mr. Murdock) wanted concrete evidence. I have one concrete case right in the city of Halifax which may help him in his conclusions. We have in the city of Halifax a Harbour Commission. The chairman of that commission was the Liberal candidate in July. During the last two weeks before election day the Harbour Commission was able to find work for a number of persons variously estimated at from 800 to 1,200. Very good! We were all glad to see them get work. But within forty-eight hours after the election 800 of them were sent adrift.

Hon. Mr. MURDOCK: And the Harbour Commission with them.

Hon. Mr. TANNER: I should not be surprised if those 800 are still looking for work.

Right Hon. Mr. GRAHAM: They ought to get it from the new Harbour Commission.

Hon. Mr. FORKE: The honourable gentleman who has just spoken (Hon. Mr. Tanner) went over the whole list of nationalities that have come into Canada, and stressed the Persians and other Asiatics. I do not know

anything about the immigration of the past few months, but I am sure that there were very few Asiatics—probably half a dozen.

Hon. Mr. TANNER: I am not charging my honourable friend with bringing them in.

Hon. Mr. BUREAU: How many Arabians came in?

Hon. H. J. LOGAN: Honourable members, I think we are getting a little away from the Bill in hand, and into the field of politics. I submit we should not view this question in the light of political allegiance. I am not antagonistic to the granting of \$20,000,000 for unemployment. The very illuminating and splendid address of the right honourable member for Ottawa (Right Hon. Sir George E. Foster) is one to be appreciated. He mentioned the fact that different Provincial Governments are coming to this Government asking for relief while they are selling over the counters of liquor stores \$200,000,000 worth of liquor. It should not be a very serious problem for this Parliament to grant one-tenth of that amount for the relief of unemployment.

I should like to have some information from the honourable member from Welland (Hon. Mr. Robertson). I understand that this \$20,000,000 is to be spent primarily for work alone. Am I right?

Hon. Mr. ROBERTSON: Such portions of it as are to be spent at all are to be spent on unemployment relief, preferably in providing work. Where work cannot be provided the municipality may give unemployment relief, in which case the Federal Government will participate.

Hon. Mr. LOGAN: That does not remove the relief very far from the dole. I can quite understand that it may be difficult in some cases to give work. For instance, indigent old women or old men cannot be given work. They are too old to work. They should be given some assistance.

Can a municipality make a direct request to the Federal Government?

Hon. Mr. ROBERTSON: They can make requests, but the Federal Government will not make agreements direct with the municipalities.

Hon. Mr. LOGAN: Am I to understand that if such requests are received they will be referred to the Provincial Government?

Hon. Mr. ROBERTSON: Those matters of detail must be determined by the Governor in Council after the Bill is passed.

Hon. Mr. LOGAN: We should know how this money is to be given.

I understand that when the money is given to a Provincial Government on behalf of a municipality, for every dollar paid by the Federal Government the municipality will pay one dollar and the Provincial Government one dollar. Am I right?

Hon. Mr. ROBERTSON: No.

Hon. Mr. COPP: Not according to this Bill.

Hon. Mr. LOGAN: What proportion does the municipality pay?

Hon. Mr. ROBERTSON: Again I say that these details must be matters of agreement among the Federal Government, the provinces, and the municipal authorities. Whether any distribution is made or not must depend on circumstances.

Hon. Mr. LOGAN: I should like to call attention to the fact that you will find it very difficult to induce one municipality to pay when another is not doing so. There must be some rule by which this money is to be distributed.

I presume there will be expenditures made on public works of the provinces. When an expenditure is made by the Provincial Government, without reference to the municipality, will the Federal Government pay one-half of that provincial expenditure?

Hon. Mr. ROBERTSON: It will pay a portion.

Hon. Mr. LOGAN. That is not very satisfactory.

If money is to be paid direct, is the municipality to be compelled to pay anything? Can the Dominion Government go into a municipality and pay out money direct without any contribution from the Provincial Government or the municipality?

Hon. Mr. ROBERTSON: Yes, if it is carrying on a federal work.

Hon. Mr. LOGAN: I mean paying cash—a dole.

Hon. Mr. ROBERTSON: No.

Hon. Mr. LOGAN: It will not pay unless the municipality contributes?

Hon. Mr. ROBERTSON: The Act so provides.

Hon. Mr. LOGAN: I do not think it does. However, the honourable gentleman should know, and he says it does.

This is a very serious problem. We are giving \$20,000,000, and it seems to me that

we are inviting unemployment in Canada. I undertake to say that if the honourable gentleman sent out a questionnaire to-day to all of the cities of over 10,000 he would receive replies stating, "We have at least 250,000 or 300,000 unemployed." It is easy to be unemployed when one sees a chance of getting a dole.

As to the distribution of this money in municipalities of under 10,000 population, in the country districts, I think the Government must exercise the greatest care in the distribution of this money, because if it does not, the \$20,000,000 will be far from what is required to provide for the unemployed during the coming winter.

Hon. Mr. GRIESBACH: In reference to the reimbursement of municipalities for moneys spent on unemployment, I should like to ask the Minister how far back that goes.

Hon. Mr. ROBERTSON: The year 1920.

Hon. Mr. GRIESBACH: No. Let us understand.

Hon. Mr. DANDURAND: The last ten years?

Hon. Mr. ROBERTSON: That is when it began.

Hon. Mr. GRIESBACH: The point is this. It may be possible for provinces and municipalities to dig up bills for the past twenty years and in this way to swallow up the whole \$20,000,000. Is this money to be used to reimburse provinces or municipalities for any money expended in the past? If so, how far back does it extend?

Hon. Mr. ROBERTSON: I am not a lawyer, but my conception of the Bill is that it will be effective from the date upon which it receives the Royal Assent. I do not understand it to be retroactive.

Hon. Mr. BUREAU: Can the honourable Minister point to any place in the Bill where it says that municipalities will contribute a certain amount when moneys are paid to them by the Federal Government in connection with the relief of unemployment?

Hon. Mr. ROBERTSON: I may point out to my honourable friend that every dollar that is to be expended is to be expended for unemployment, and if municipalities make contributions and spend money for unemployment relief, and represent that they need assistance, their requests will be investigated and assistance will be given them in defraying their expenses.

Hon. Mr. LOGAN.

Hon. Mr. BUREAU: But that is no answer to my question. As has been pointed out by the honourable gentleman from Edmonton (Hon. Mr. Griesbach), the Bill says that money may be used in "granting aid to provinces and municipalities in any public work they may undertake for relieving unemployment and reimbursing expenditures made by provinces and municipalities." Reimbursement includes the repayment of moneys expended by the municipalities. The Minister of Labour ought to know, and I hope he does know, what he is going to do. When the honourable member from Cumberland (Hon. Mr. Logan) asked him whether the municipalities would contribute, he said yes. Then he said the statute provided for it. There is nothing in the statute that provides for any contribution either by the province or the municipality, except by implication.

Hon. Mr. ROBERTSON: May I point to section 3 of the Bill, where it says that money may be expended in:

assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine; granting aid to provinces and municipalities in any public work they may undertake for relieving unemployment.

If a municipality undertakes work for the purpose of relieving unemployment, the Federal Government may, under this Act, assist it from this fund.

Hon. Mr. BUREAU: Continue the reading from the Bill:

—and reimbursing expenditures—

Hon. Mr. ROBERTSON: It means in part, because there is no expenditure to be made unless the municipality undertakes some responsibility.

Hon. Mr. BUREAU: But what does "reimbursement" mean? Is it the intention of the Minister of Labour as the administrator of this law to say that it will be only part of the expenditure, or that it will be dollar for dollar of the expenditure made by the municipality to relieve unemployment?

Hon. Mr. ROBERTSON: Not being a lawyer, as I said a moment ago, perhaps I do not draw the same meaning from technical language that my honourable friend does. My honourable friend very well understands, I am sure, that the Federal Government does not intend to pay for any portion of the cost of any work that it has not previously agreed to participate in. If a municipality or a province desires to carry on the relief of unemployment by creating employment, the Federal Government may by agreement par-

ticipate in the cost. It must be a matter of agreement. No municipality can go out and dig a ditch or build a fence in anticipation that the Federal Government will share in the expense.

Hon. Mr. BUREAU: That is not the point. The Bill contains no restriction or condition that may be imposed by the Government, and there is nothing binding either the municipality or the province to contribute.

Hon. Mr. ROBERTSON: It says that the Government may aid a province or a municipality; which presupposes, of course, that they contribute.

Hon. Mr. BELCOURT: My honourable friend has told us repeatedly that it was the intention of the Government to apportion this fund, and to make the three parties contribute to it—the municipality, the Provincial Government and the Federal Government—and he told us a moment ago that this would be done in equal proportions.

Hon. Mr. ROBERTSON: No. I did not say that. I said that those were matters which would be determined by the Governor in Council when the individual proposals came before them, and that no definite rule had been or can be laid down.

Hon. Mr. BELCOURT: Did my honourable friend not tell us that in an expenditure of three dollars one dollar would be paid by the municipality, one dollar by the Provincial Government, and one dollar by this Government?

Hon. Mr. ROBERTSON: No. I made no such statement.

Hon. Mr. BELCOURT: I certainly understood the honourable gentleman to do so. Then my honourable friend added that it was provided in the Bill.

Hon. Mr. ROBERTSON: No. No such statement was made.

Right Hon. Mr. GRAHAM: While that point is being cleared up, may I call the attention of the Minister to a clause in section 3, and ask him just what it means. It says:

—assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine.

Does that mean that a portion of the \$20,000,000 may be used in encouraging the bringing of coal, for example, from the West or the East to the central part of Canada?

Hon. Mr. ROBERTSON: It does.

Right Hon. Mr. GRAHAM: Then it is possible that there will not be very much

left for real relief work. I am not saying that the Government should not do that, but it strikes me as peculiar that it should be taken out of the \$20,000,000 provided for in this Bill, because if the fuel problem is to be solved to any appreciable extent, as has been done in the past, by assistance in the way of contributions to freight cost, the money will be spent rapidly. As I understand this clause, part of the \$20,000,000 may be used to pay express charges on fish shipped from the East to the West; and part of the appropriation may be given as a bonus to the lumber industry in the East and the West. If the Government does that sort of thing, Heaven help the poor people who are looking forward to relief. Does not my honourable friend think that this clause is inserted to make the appropriation look a little better than if it were confined to direct relief for the unemployed?

Hon. Mr. ROBERTSON: In reply to my honourable friend's observation I may say that the Government, when drafting that clause, had in mind that if it is feasible at present to ship coal from Alberta into central Manitoba, it should be possible by slightly extending the assistance which was given by the late Government to have that produce carried another 300 or 400 miles eastward, even into the Ontario market, and that by affording employment for the men in the coal areas and in transportation services some of the purposes for which this money is being granted would be fulfilled. My right honourable friend made a reference to the lumber industry. I may say that already an application has been received from a Provincial Government asking for consideration of a proposal that the Federal Government make a contribution to the Provincial Secretary if a reduction in stumpage is granted. It is thought that such a reduction would result in stimulating the lumber industry over a large area and giving employment to a large number of men who are now out of work. The Bill is so drawn that the Governor in Council will be able to exercise judgment as to the best use to which the money can be put for the relief of unemployment.

Right Hon. Mr. GRAHAM: It will be spread very thin.

Hon. Mr. ROBERTSON: If my right honourable friend wishes to increase the vote, I have no objection.

Hon. Mr. FORKE: I venture to say that the country will read with some astonish-

ment the remarks of the honourable Minister of Labour. May I ask the honourable Minister whether he can form an estimate of how much of the \$20,000,000 will be spent in actual wages to people who are now unemployed? I venture to say that the amount so spent will be less than \$7,000,000.

Hon. Mr. ROBERTSON: My honourable friend may be a better prophet than I. I have no information that would enable me to answer his question, and I prefer not to make a guess.

Hon. Mr. FORKE: Well, that is my guess.

Hon. W. E. FOSTER: Honourable senators, before the Bill is reported I should like to make a few remarks respecting the lumber industry, which has been referred to by the honourable the Minister of Labour. I have in my hand a copy of some papers relating to unemployment which were placed on the Table of this House a few days ago, and there is included a copy of correspondence between the Department of Labour and the Provincial Governments. I find in the file a communication from the Minister of Labour of the Province of New Brunswick to the Minister of Labour of Canada, and this communication is based upon a letter, a copy of which is enclosed, from a Mr. Fenderson, a lumber operator in the northern part of that province. Mr. Fenderson wrote:

With supplies approximately 25 per cent lower and a liberal reduction in stumpage, it might be possible to operate to some extent at least, and I further believe that the lumbermen are desirous of trying to help out the situation in so far as it is possible to do so.

In the letter, dated August 18, 1930, from the Minister of Labour of New Brunswick, he says:

The last paragraph of his letter—

—that is, Mr. Fenderson's letter—

—suggests a possible solution to the unemployment problem.

That is, in the Province of New Brunswick.

Already the cost of supplies is virtually 25 per cent less than last year, and if in any way a liberal reduction of stumpage can be brought about (and it would seem to me that this can only be done by federal aid, as stumpage rates are already fixed for the present year), it seems to me the unemployment situation will be greatly relieved.

I should like to call the attention of the honourable the Minister of Labour particularly to the fact that the Minister of Labour of New Brunswick implies that the Government of that province is prepared to make certain concessions to the lumber industry

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if the Provincial Government is reimbursed by the Government of Canada. I should like to ask the honourable the Minister of Labour if the letter from which I have just quoted is the communication to which he referred when replying to a question by the right honourable gentleman from Eganville (Right Hon. Mr. Graham). I desire to emphasize that the Province of New Brunswick is not primarily a manufacturing province, and therefore the benefits which it is alleged will flow from the other two Bills to come before us will not apply in New Brunswick to the same extent as in provinces where manufacturing is carried on to a large extent. Therefore it is highly important that the lumber industry of New Brunswick should be given favourable consideration by the honourable the Minister of Labour if he receives any request for aid to enable the province to reduce stumpage.

I was deeply interested in the opposition expressed by the right honourable the junior member from Ottawa (Right Hon. Sir George E. Foster) to the introduction of the dole in this country. I think, honourable senators, that all over Canada there is a strong sentiment against any relief measure of that kind. Canada has a brilliant record of achievement, tremendous natural resources, and a people possessed of great ability to make the best use of the natural resources that are around us, and it is to be hoped that no legislation of what might be called a pronounced social character will ever be passed here.

I happen to have occupied for a number of years the position of Prime Minister of the Province of New Brunswick, and in 1918 or 1919 I was primarily responsible for the introduction into that province of the Workmen's Compensation Act. As might be expected, there was strong opposition to the Act on the part of manufacturers particularly, and I told them at the time that they themselves were principally to blame for legislation of that kind, because they had not taken the initiative to provide safety regulations and appliances for their workmen. An honourable gentleman mentioned the other day, with reference to the Unemployment Relief Bill, that he thought the Federal Government had placed the cart before the horse, but in the Province of New Brunswick the horse had disappeared altogether, and then, when it was too late, the stable door was locked. When the manufacturers and other employers of labour in that province were faced with an assessment to pay compensation to injured workmen, they took steps which they should have taken years be-

fore with a view to making safer the working conditions of the employees. To my mind, the situation that faced manufacturers and other employers of labour in New Brunswick prior to the introduction of the Workmen's Compensation Act is similar to that which now faces employers of labour all over this country, in relation to the dole, or what might be termed unemployment insurance.

I should like to suggest to the honourable the Minister of Labour the importance of warning business men of the necessity to prepare themselves for the recurrence of depression, for it seems clear that periods such as we are now experiencing run in cycles. It is refreshing to honourable members on this side of the House to hear honourable gentlemen opposite state that some of the unemployment now existing is not due to the fiscal policy of the country, but that we are in the midst of a periodical depression. I believe that this is true, and therefore it seems to me all the more important that we should consider carefully any legislation which may be looked upon as a precedent in the future. Twenty million dollars is a large sum of money to appropriate from the exchequer of this country, even for such an important object as the relief of unemployment. The importance of what we are doing here should be brought home to our minds by the fact that we are sitting in a special session of Parliament, legislating under unusual conditions. I think the Government should endeavour to do all it can to prevent the recurrence of conditions such as we have in this country to-day. Perhaps the general situation would be relieved to some extent if large corporations were a little more conservative in declaring dividends and in providing for reserves. Any tendency of that kind would be more favourably received by the majority of our people than legislation of the sort we are considering to-day. Many economists tell us that in the future we shall have other cycles of depression and unemployment; that the return to prosperity, which we all hope will be within a reasonably short period, cannot be permanent. Therefore, although I am casting my vote in favour of this Bill, I do not wish it to be considered as a precedent when we are faced with similar conditions in the future.

Like the right honourable the junior member from Ottawa (Right Hon. Sir George E. Foster), I sympathize greatly with the Minister of Labour because of the difficulties with which he will have to contend in disbursing this money. I presume that the allotments will be principally at the discretion of the Department

of Labour, and I have every confidence that the honourable the Minister will, in so far as he is able, direct the expenditure in the proper and most effective channels; but I do not feel so sure that once the money gets beyond the control of the honourable the Minister of Labour it will be so properly used. I do not suggest that there will be any actual misappropriation, but I fear that not all the \$20,000,000 will be used for the particular purpose that we have in mind.

I have a suggestion to make to the Minister of Labour, though perhaps it is not of great importance. I happened to be head of the Government of the Province of New Brunswick at the time, some years ago, when the honourable the Minister of Labour first occupied his present position, and when he established the Labour Bureaus throughout Canada. At that time the Government of New Brunswick was asked to contribute towards the expense of those offices. I believe that some of those bureaus are not carried on for the purposes for which they were established. I believe that their functions should be enlarged and made more useful, so that employers and employees might come more closely together, and employers, when they required labour, might go to those offices. We might go to the full extent of compelling employers to register their requirements in advance in the Labour Bureaus. The man who wishes to hire labour, or may need to do so in the future, does not register his requirements there as he should. There is no denying the fact that in this crisis, as we might call it, which is just arising, there are many labourers in this country who have not had proper notice that their services would be dispensed with. The system of registration should show when employers are going to dispense with large numbers of men because of conditions that are likely to arise.

Speaking only from local knowledge, I do not think the arrangements for dealing with applicants are as convenient as they should be. When a labourer is out of work he has first to tramp about to see whether he can pick up some employment. As a last resort he comes to the Labour Bureau and registers. The applicants for work have to go out through the same door at which they entered, instead of being able to go out by another door.

I should also like to say to the Minister of Labour that in the use of this money which we are voting, the Labour Bureaus should be utilized to a greater extent than they are at present. When this money gets into the hands of Provincial Governments and municipalities politics are bound to play some part in the employment of labour on public works

or any work for which the money will be used. I say that there should be no political discrimination in dealing with the people who are seeking employment such as will be provided under this Act.

The Dominion Government itself, who established these Labour Bureaus in Canada, does not employ them for the registration of casual labour. The very people who pay for the upkeep of these offices do not utilize them to the extent they should. This remark applies also to the Provincial Governments, who pay part of the costs. We know the reason why: it is because of political patronage. Therefore I say that the Labour Bureaus should be utilized more for registration purposes, and through these exchanges the people should obtain the employment which will be afforded by means of this fund which we are voting.

I should have liked to make some other observations with reference to this vote, but I must not take up the time of the House in so doing. I wish, however, to emphasize the matter which I placed before the Minister of Labour in my opening remarks, namely, the importance of assistance to the lumber business in New Brunswick, not only from this vote, but also from the other measures which the Government has put forward for the purpose of relieving the unemployment situation. In our province lumbering is the main industry, and I hope it will be assisted if assistance is possible.

Hon. W. A. BUCHANAN: Honourable gentlemen, I look upon this legislation as being purely of an emergency character, but I feel there are provisions in it that will establish precedents and produce problems for this and other Governments in future years. I refer especially to the provision in clause 3 in regard to "defraying the cost of distribution" of certain products. Among the products mentioned are those of the mines. Not only this year, but practically every year, there is an unemployment problem in connection with the coal mines of the Western Provinces, particularly those in the Province of Alberta and in the Crowsnest Pass.

I presume that under this legislation it will be possible this year for the Government to assist the coal mines of those sections of Western Canada in the movement of their product to a more extensive market. Right at this moment there is an agitation for relief to enable the product of those mines, not only the steam coal but the domestic coal mines, to be moved into Manitoba. The companies are handicapped with freight rates that are

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considered to favour American coal, and they want to get into the market in order to relieve the unemployment that exists in Eastern British Columbia and Alberta. As I see it, the only method will be for the Government to give them a subvention such as was given to the steam coal mines in the Crowsnest Pass during the last session of Parliament.

But what will be the situation next year and in the years to come? Because the same situation has existed in the past, I am satisfied it will exist in the future; that there will be very great unemployment among the coal miners. Is it not proper for me to say that coal miners will come to this Government and seek for some relief every year? I would suggest to the Labour Minister and the Government that they should endeavour to fix upon a policy that will be applicable throughout the years. It should be such that it would keep those mines in operation and keep the men employed. There is, in respect to this particular clause, the danger that what we are doing now we may be called upon to do in other years. The Minister of Labour has told us what he has in mind for this year. Being acquainted with the situation in the coal mines of Western Canada, he knows that unemployment has been a problem there in other years, and is bound to be so in future.

Hon. GEORGE GORDON: Honourable gentlemen, this discussion is developing in a manner to show the Minister what a difficult proposition he is going to be confronted with. We all have ideas as to what should be done under various circumstances. My honourable friend from St. John (Hon. Mr. Foster) has made a plea for the Federal Government to reimburse the Government of New Brunswick for any reduction that province may think fit to make with respect to stumpage. Now, in my opinion—and I say it with all due respect to my honourable friend—this will not help the situation, for the reason that to-day not only the market in Nova Scotia but the markets of the world are over-stocked with lumber, and, I have no doubt, a decrease of dues would be the means of having more lumber manufactured. I think that by such means the situation of labour would not be improved permanently or for any great length of time—in fact, not for any period beyond the winter months. In my opinion it would be much better that the money which it has been suggested should be devoted to that purpose should be used for road construction and improvements of that nature, which, as we all know, bring back revenue to the country generally, and to the provinces particularly, in the form of the gasoline tax. I

suggest to my honourable friend that he should not pursue his request too far; and I say this with the best of feeling. A similar request has been made from other provinces. If such a request were granted I might feel the benefit of it in a certain direction temporarily, but in my opinion it would not prove to be of lasting benefit.

Hon. Mr. FOSTER: In regard to the question of stumpage, I was only making the plea because the lumbermen of New Brunswick themselves, in an interview with the Government of New Brunswick, stated that if they obtained a reduction of stumpage they would enter into certain operations in the lumber business.

Hon. Mr. GORDON: I quite agree with the honourable gentleman and with the lumbermen down there that his proposition would relieve unemployment temporarily, but I think the money would be better spent on something which would relieve it for a longer time.

Hon. Mr. ROBERTSON: Honourable gentlemen, if no one desires to continue the discussion, I should be glad to see a little progress made with the Bill before six o'clock if possible. May I say a word on a few subjects that have been brought up, namely, those relating to the forests and the mines?

I would inform my honourable friend from St. John (Hon. W. E. Foster) that representations have been made by the Government of New Brunswick, through its Prime Minister, but unfortunately it omitted to state what proportion of the expense it was prepared to bear. That information is now being sought. I can assure my honourable friend that serious consideration will be given to the question, because already some proofs exist that the adoption of the proposal might substantially increase employment opportunities. However, that matter is not closed at all, and the correspondence is being continued.

As to the mines, mentioned by the honourable gentleman from Lethbridge (Hon. Mr. Buchanan), I think that he well knows that situation which he was good enough to say I knew. A difficulty with our mining industry in the Western Provinces, particularly in Alberta, and perhaps in British Columbia, is that they have a productive capacity far beyond their market opportunities. I am inclined to think that the return of the natural resources to the Prairie Provinces will result in the Province of Alberta, as an example, adopting different measures with regard to the opening up of new coal areas. I have discussed this subject with some men in public

life in that province in past years, and that seemed to be the prevailing view. Some of them thought that the Federal Government might attempt virtually to control the development in that respect by refusing licenses for the opening up of such areas. However, there was the delicate question of provincial rights, which might be interfered with. Now that the natural resources have been returned to the Prairie Provinces, it is within the jurisdiction of Alberta to take such steps as are deemed wise, and I expect to see efforts made to increase the actual production of the mines rather than to increase their productive capacity. If production can be increased, I think it will go a long way in helping unemployment, which returns periodically in that area.

One or two honourable gentlemen have remarked that the Minister of Labour would be called upon to make important decisions. May I point out, what perhaps may have escaped the attention of all here, that it was clearly stated in another place that every expenditure to be incurred as a result of this legislation, while it might be recommended by an individual Minister, must have the approval of the Governor in Council. That is a great safeguard against undue pressure on any particular Department.

Hon. Mr. LOGAN: It is all very well to say that the responsibility is on the Government, but we all know that, after all, the Minister of Labour will be chief adviser of the Government in the expenditure of this money. I should like a little more definite information with reference to the payment of money to municipalities, not for work, but for relief to old men who cannot work. Does the Minister propose to require the municipalities to contribute to what is paid to old men, for instance?

Hon. Mr. ROBERTSON: The Prime Minister announced in another place that the Government had received, considered and approved certain recommendations made by the Employment Service Council of Canada after its conference here on August 21. That Council made the following recommendation:

That in cases where direct relief must be given, it is recommended that the following principles be observed: Costs should be evenly divided between the municipality, the province and the Dominion.

The Prime Minister has announced that the Government accepts that basis.

Hon. Mr. BELCOURT: Then I was quite right in saying that the proportion of each of the three is to be equal.

Hon. Mr. ROBERTSON: So far as direct relief is concerned.

Hon. Mr. LOGAN: Last night, in referring to the protection of the fund, the honourable gentleman used the following language:

The greatest safeguard in the expenditure of this fund is the fact that for every dollar spent by the Federal Government the municipality and the province must also spend their money.

Is that right, or is it wrong?

Hon. Mr. ROBERTSON: That is right.

Hon. Mr. FORKE: Would those entitled to old age pensions come in under this regulation in any way?

Hon. Mr. ROBERTSON: No.

Section 2 was agreed to.

On section 3—purposes to which grant may be applied:

Some Hon. SENATORS: Carried!

Hon. Mr. MURDOCK: Before section 3 carries—

Hon. Mr. SCHAFFNER: Carried!

Hon. Mr. MURDOCK: Not yet. Before section 3 is carried, I wonder if I might impose upon the Minister of Labour by asking him to give me a little assistance in a matter with which he has had many years' pleasant association and is in whole-hearted sympathy. It may be that there are some reasons why he cannot at this time and in this place co-operate with me in having something done that I think should be done, and that I think it would be a great mistake to leave undone. For thirty years a fair wages policy has been in effect for the benefit of the workmen of Canada, particularly workmen who are beneficiaries of any moneys expended by the Federal Government. It would appear to me to be a retrograde step to pass this Bill without some recognition of the fair wages policy that this Parliament has stood for during the past thirty years, and I am going to ask my honourable friend the Minister of Labour to move, so that I may second it, an amendment to section 3 with which I know he is personally in sympathy. It is to add a subsection reading in this way:

All undertakings by the provinces or municipalities on any public works, or other undertakings for the relief of unemployment, shall as to wages and hours conform to the fair wages policy of this Parliament.

I hope that my honourable friend will be able to accept that and propose it. Outside of this Chamber I could leave a matter of

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that kind entirely to his care, feeling confident that he would whole-heartedly support the principle which I have endeavoured to express in these few words.

Hon. Mr. WILLOUGHBY: I think the honourable gentleman should move it himself.

Hon. Mr. GORDON: May I ask the honourable gentleman a question? Assuming that a definite portion of this money is to go directly to labouring men in the form of wages, which is the better: to bind the Government to a high wage, or the standard Government wage, and to employ say 5,000 men, or to give half the wages and double the number of men employed?

Hon. Mr. MURDOCK: My honourable friend is asking me if half a loaf is better than no bread. I would answer him by saying that for twenty years, at least, the Minister of Labour and I have been in close and friendly association, working together in confidence many times, with little or no disagreement, in support of the contention that a fair wage and a stated number of hours of work per day were proper for workingmen, and I do not think that we should now take advantage of the misfortunes of the unemployed. I think it would be criminal for us to do that. So I am asking the Minister of Labour to move in this matter.

Hon. Mr. ROBERTSON: We all remember our school days. One of the things that I remember very well from the time when I went to school was the learning of a certain little poem that began: "Will you walk into my parlour?" I appreciate the manner in which my honourable friend has approached this question, but I am sure that he is just as convinced as I am that it is not within the jurisdiction of the Federal Parliament to enact the legislation that he seeks. An amendment similar to this was submitted to the House of Commons and discussed there at length. It was supported by gentlemen who, like my honourable friend and myself, are earnest in their desire to help the working people. But in contemplating the Federal Parliament imposing its will upon a municipality or a province, or both, one must consider just what our rights in the premises are. It is my understanding and belief that no legislation that the Federal Government might pass in reference to the domestic affairs of a municipality situated a thousand or two thousand miles away would be binding.

Hon. Mr. BELCOURT: You could attach that as a condition.

Hon. Mr. ROBERTSON: I think I explained clearly last night that it was not within our jurisdiction to pass such legislation, but that it was the intention of the Government to urge upon the municipalities and provinces the importance of inserting fair wages regulations and an eight hour day clause in the agreements made among the provinces, the municipalities and the Federal Government for the distribution of money from this fund. By means of such agreements we accomplish what the honourable gentleman from Parkdale (Hon. Mr. Murdock) desires, what I desire, and what I believe most of the members in both Houses desire. If we attempted to accomplish this by way of amendment to the Bill, the provinces and the municipalities might say: "The Act is no good, and we are not bound to respect it." This would create difficulty and dispute all over the country. We purpose to attain the same object by the means I have indicated, and I am sure it is the direct and proper method.

Hon. Mr. MURDOCK: All right. We shall be interested in seeing how you succeed. I hope you do.

Section 3 was agreed to.

Sections 4 and 5 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the Bill.

The motion was agreed to, and the Bill was read the third time, and passed.

At six o'clock the Senate took recess.

The Senate resumed at eight o'clock.

CUSTOMS ACT AMENDMENT BILL

SECOND READING

Hon. G. D. ROBERTSON moved the second reading of Bill 3, an Act to amend the Customs Act.

He said: Honourable members, this Bill, which has to do with the revision of the Customs Act, is born of the same desire as the Bill which we were discussing last night and early to-day. It is hoped that this measure will result in an acceleration of business and consequently increased employment all over Canada. The effect of the proposed amendment to the Act will be to give Canadian pro-

ducers a greater measure of protection than they have had in the past. The Bill in itself will not make any changes in the tariff, but it makes possible the administration of the Customs Act in such a way as to prevent discrimination against Canadian manufacturers and producers.

As far back as 1922, I think, there was a Customs Act amendment, which is commonly termed the dumping clause, covering natural products, such as fruits, vegetables, and so on; but, if I remember correctly, it was not put into force until 1926, and then only with respect to certain fruits and, I think, some vegetables, and it was regarded as a seasonal measure. In 1928, I think, the late Government again exercised its powers under that amendment, in the same connection, and with success.

This amendment proposes the extension of such powers on the part of the Government to all commodities, whether they be natural products or manufactures. Many instances have come to the notice of the Government of under-valuation of products from foreign countries for the purposes of duty. This became so serious that it was affecting Canadian industry injuriously. The invoice price entered for duty purported to be the invoice price in a foreign country. It has been discovered that that had not operated fairly to Canada, and so this Bill has been framed for the purpose of giving to the Minister of National Revenue certain powers to fix the value for duty purposes.

I take it that every honourable member is familiar with the general purpose of the Bill, and I will not delay the House with any long explanation. When the Bill gets into committee it can be fully discussed.

I move the second reading of the Bill.

Hon. R. DANDURAND: Honourable gentlemen, my honourable friend the Minister of Labour has just alluded to the principal clause of the Bill passed in 1922, which he says is commonly known as the dumping clause. As a matter of fact the amendments sought by this Bill are not directed to the anti-dumping legislation, which was passed in 1906 or 1907. I find it in the Revised Statutes of 1927, but I think it was passed in 1906. This Bill has nothing to do with the anti-dumping legislation passed at that time. It does not seek to amend the principle contained in the Customs Tariff in which the anti-dumping clause stands. Nor is it governed by the same principle. We are now amending clauses of the Customs Act, whereas any clauses against dumping are to

be found in the Customs Tariff. I will read section 6 of chapter 44 of the Revised Statutes, 1927, which deals with dumping:

In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof for home consumption; and such special or dumping duty shall be levied, collected and paid on such article, although it is not otherwise dutiable;

Provided that the said special duty shall not exceed fifteen per cent ad valorem in any case; and the following goods shall be exempt from such special duty—

Then there is a list of goods. That is the anti-dumping legislation brought in, either in 1906 or 1907, in one of the budgets of Mr. Fielding. I remember very well the occasion of that legislation. I was present at a largely attended conference at which Mr. Fielding and his colleagues met the representatives of the Canadian Manufacturers' Association, who came to ask for higher protection, not because at the time they needed it—for they declared that they were perfectly satisfied with the protection they had, and with the tariff as it was—but because they feared that if there was any kind of depression in the United States, the danger-flag would be hoisted and the industries of Canada would be disorganized and doomed. Mr. Fielding desired to give them a sense of security for the future. Upon their representation that they were perfectly satisfied with the tariff as it stood, instead of granting them higher protection which, as they said, they did not need, he introduced the legislation called the anti-dumping clauses, as amendments to the Customs Tariff. Up to the convening of this session of Parliament the Canadian manufacturer had for his protection whatever the customs duties against imports gave him, and besides that he had the anti-dumping duty or tax, which added a possible fifteen per cent increase over and above the tariff duties that were set forth in the Statute Book.

What will be the situation when this Bill is passed and the tariff increases come into effect after being passed by the two Chambers and receiving the Royal Assent? The Canadian manufacturer will have, as the result of the tariff changes, which will be before us shortly, the protection of much higher customs

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duties than before; he will have the same anti-dumping supertax as before, and with the present Bill he may obtain in addition a complete prohibition of imports. Section 4 of this Bill reads as follows:

4. Section forty-three of the said Act is repealed, and the following is substituted therefor:—

"43. (1) If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister that goods of any kind are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers, the Governor in Council may authorize the Minister to fix the value for duty of any class or kind of such goods, and notwithstanding any other provision of this Act, the value so fixed shall be deemed to be the fair market value of such goods."

Under the anti-dumping legislation the supertax could not exceed fifteen per cent of the fair value of the goods. Now there is to be no qualification as to the value of the goods. Honourable gentlemen will not find any limitation or restriction whatever. The Governor in Council may declare that the valuation reported by the Minister is the proper valuation, and that is final. There is nothing governing the action of the Minister. An article may be selling in a foreign market at a dollar. The manufacturer of such articles may state that he is prejudicially affected by its importation. He may be selling his own goods for \$1.50. Then the Minister can declare that the proper valuation is \$1.50, or \$2.00, and whatever amount he fixes becomes the law. Thus the Canadian manufacturer may obtain through the Governor in Council an arbitrary valuation. There is no direction in the legislation that it must be the fair market value in the country of origin. The valuation may be such as absolutely to close the door and completely prohibit the bringing in of such goods.

The clause enacted in 1922 reads as follows:

43. If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the Governor in Council may, in any case or class of cases, authorize the Minister to value such goods for duty, notwithstanding any other provisions of this Act, and the value so determined shall be held to be the fair market value thereof.

The amendment now sought is to replace the words "natural products of a class or kind produced in Canada" by the words, "goods of any kind". So the principle involved in the Act is being enlarged: it was

limited to natural products, but is now extended to goods of any kind manufactured in Canada.

Hon. Mr. WILLOUGHBY: What is the objection to that, in view of the present law?

Hon. Mr. DANDURAND: I am simply explaining the legislation, but I will show later what I believe to be the danger that may arise from it. As honourable gentlemen have noticed, the legislation of 1922 was expressly limited to natural products, and it affected quite a large class of producers—our farming community, and more especially the fruit-growers throughout the land. That legislation, if acted upon, did not close the door to competition, because the number of producers of natural products, such as fruit-growers, precluded any monopoly. Competition remained in full play throughout Canada. The difference I see between the legislation of 1922 and this which is now before us is that the principle is now to be extended to all private interests, corporations and individuals, and this fact may create the danger of monopoly by the exclusion of competition. In natural products there was no danger of monopoly; the area covered by the producers was so wide, covering several provinces, and the production so diversified, that there was bound to be heavy competition. There is the danger that with this extension to all interests the door may be closed against importation, and an article may become the monopoly of the Canadian producer.

Again, in the anti-dumping clause there is a limit set to the imposition of the super-tax, which is fifteen per cent; but in this case there is no limit. Whatever the Minister reports becomes the law. The price he fixes may absolutely prohibit importation, and then the country must turn to the producer of the article, who will not be affected in the setting of his price by the foreign competitor, and there will be no limitation or qualification in the fixing of that price. In the anti-dumping clause the fair market value in the country of origin must be considered. We have not that provision in this legislation. The valuation is absolutely arbitrary.

Then I would draw the attention of this Chamber to the danger of complications. A pronouncement made by Order in Council may to a considerable degree affect the imports from outside and alter trade conditions. It may exclude in large measure sales for delivery in Canada. No exporter from a foreign

country will dare sell at a fixed price for delivery in Canada when an arbitrary valuation of the goods can be imposed. In many instances he calculates and absorbs the customs duty, and he does so only because the rate is fixed. With the threat of an arbitrary valuation hanging over them, foreign exporters undoubtedly will sell for delivery at home, and it will be for the Canadian importer to take the risk.

The Canadian importer will be in a considerable quandary. He buys abroad, and generally his buying is based on his sales. How can he risk buying when he does not know what the cost price will be? If he has no certain basis of cost, he will be hampered in disposing of his goods in advance, in the ordinary way, and in purchasing abroad to meet his sales requirements. This, it seems to me, will create considerable disturbance of mind among our people who are importing from abroad.

Then, if we thus hamper what is regarded as a legitimate business, shall we not also jeopardize our own export trade? Countries which find that there is not a natural and free exchange of products are apt to turn towards other countries where they feel they will have the benefit of fair dealing, and we may suffer in consequence.

Some honourable gentlemen may think that the more difficulties that we put in the way of the purchase of foreign goods, the better it will be for Canada. I would draw the attention of my honourable friend (Hon. Mr. Willoughby) to the fact that trade is exchange, and that if we value our export business we must resign ourselves to accepting something in return. The other day, in the debate on the Address, I said that in 1929, with its high protection, and varied climate and production, the United States exported \$2,600,000,000 worth of manufactured goods, and imported nearly \$1,800,000,000 worth, or some 67 per cent of the value of the exports. This should go to show that a country cannot live with absolutely closed doors, for if there is any country that could do so, surely that country is the United States, with its tremendous population and its productivity under various climatic conditions.

These are the thoughts that come to my mind in looking at this piece of legislation. I think that the Government would have been better advised to address itself to the anti-dumping legislation of 1906 or 1907 with a view to amending it and making it more effective. The anti-dumping clause still remains on the Statute Book; but here we are, after having increased our tariff, after having maintained the right to add 15 per cent

under our anti-dumping legislation, going to the limit by practically giving the Governor in Council the right of absolute prohibition. It may be argued that in what I have said I am exaggerating. I am simply showing what can be done under the Act, and with these remarks I leave my colleagues to ponder.

Right Hon. GEORGE P. GRAHAM: Honourable members, I trust that I shall be allowed to violate the rules slightly—not in language, but in discussion—because I am in a position somewhat similar to that of the right honourable member for Ottawa (Right Hon. Sir George E. Foster), who spoke this afternoon. The present Bills are all correlated and can be discussed in effect as one. In addition, it is just possible that when the Customs Tariff Bill comes down there will not be sufficient time to discuss the changes as one might wish to do, and the interjection of a few remarks might be construed as an attempt to prevent the Prime Minister and his colleagues from getting away to the Economic Conference. I say that because I feel that the absence of the representatives of Canada from the Economic Conference at this particular time would be very serious. I look upon their presence at that Conference as of even more importance than their presence at the Imperial Conference itself. At the Imperial Conference, of course, matters of far-reaching import are discussed, but they have nothing to do with the vital question of trade relations. In this connection I should like to express the view that if the Prime Minister and his colleagues can discover some scheme to get the grain and lumber and other products of our country moving into the hands of people who can buy them, they will be accomplishing more to alleviate the present situation than all the tariffs or dumping clauses we can enact. The failure of one crop, the non-sale of the remnant of that crop, and the retention in our warehouses of another year's supply affect employment all along the line. I need not labour that point before honourable members of the Senate.

We are told that the enactment of higher duties will result in putting many men to work. In my humble judgment what is required to put men to work in this country is the sale of our products. What is the permanent value to the country of an expenditure of money and the raising of tariffs to put to work men who are now working only part time, or perhaps not at all, when all that can be done with the goods that they manufacture is to pile them up in ware-

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houses? The purchasing power of the people has been so affected that there is no demand for the goods, and without a demand our action can only result in locking up capital and postponing the evil day in the hope that something will turn up to alleviate the situation.

I have discussed the present situation and the proposed remedies with manufacturers and others. While they feel that the higher tariff may benefit them somewhat, the great difficulty is that their salesmen come in and report a lack of orders because the people have not money to buy their goods. I want to emphasize that point and to impress upon the Government that if our representatives at the Economic Conference can come to some agreement that will start a movement of our wheat to the markets that it hitherto found, and if the products of our mines and fisheries and forests, through an interchange of trade, can be started moving somewhere, the greatest good to Canada will result. Every producer will take heart, feeling that what he produces will not be left on his hands, but will be purchased by some person at a reasonable price.

Under these circumstances I urge again that from a national standpoint it is suicidal to prevent our representatives from being present at the first session of the Economic Conference, ready to assume what I regard as their greatest duty, and the greatest responsibility that they have.

The main objection that I have to this Bill is that it brings about instability of the tariff. A certain political party has been accused time and again of tinkering with the tariff, thereby creating a feeling of instability. I suggest that in giving one man the right to fix the duties on certain commodities we are making him too powerful, and that the influence on trade of such action cannot be beneficial. I have always been a firm believer in a tariff, and have so stated. I am also in favour of a dumping clause. I have always maintained, however, that the people of Canada, or of any other country, although more or less concerned about the degree of protection granted, are not concerned about it as much as they are about knowing under what conditions they have to do business. When Parliament makes tariffs the people know for one year at least the conditions under which they will have to do business. Under this clause they will not know twenty-four hours in advance what the conditions may be.

Hon. Mr. POPE: If they are doing business with the United States they should know. The President of the United States can make changes in five minutes.

Right Hon. Mr. GRAHAM: That is another reason why I do not like it. It is a copy.

The first part of the Bill before us reads as follows:

Section thirty-six of the Customs Act, chapter forty-two of the Revised Statutes of Canada, 1927, is repealed, and the following is substituted therefor:—

"36. (1) Such market value shall be the fair market value of such goods in the usual and ordinary commercial acceptance of the term, and as sold in the ordinary course of trade, such value in no case to be lower than the selling price thereof to jobbers or wholesalers generally at the time and place of shipment direct to Canada.

(2) Provided that the value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the Minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances and his decision thereon shall be final."

This does not even have to be confirmed by Order in Council. The Minister's decision shall be final. I submit, honourable gentlemen, that with the changed and ever-changing conditions of trade too much power is put into the hands of one man. For many years we have had a Customs Board to which appeals could be made in cases of dispute as to the value of goods. Under this legislation there is no appeal to anybody. No one man, no matter how great he may be, should have the power practically to fix the tariff on goods in which I or any other honourable gentlemen may be dealing. A contract may be made one day, and the next day the duty may be changed without notice.

Now let me refer to what was said by my honourable friend from Bedford (Hon. Mr. Pope). In the United States there is a Tariff Commission, and all that it does is restricted and protected by statute. If after investigation the Tariff Commission finds conditions that it believes to be inimical to the interests of certain industries in the country, it is directed to make recommendations to the President, and he can then increase or decrease the tariff on the articles affected, so long as the increase or decrease does not exceed 50 per cent. But here, without any investigating authority, without any Commission, without any Customs Board, one Minister is to be given the right to make decisions himself. And to make matters worse, there can be no appeal from his decisions.

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Hon. Mr. WILLOUGHBY: What section is my right honourable friend quoting?

Right Hon. Mr. GRAHAM: My first quotation was from section 1 of the present Bill.

Hon. Mr. GRIESBACH: Before the right honourable gentleman concludes his reference to the powers of the United States Tariff Commission I should like to ask him a question, taking it for granted that his statement regarding the Commission's powers is correct.

Right Hon. Mr. GRAHAM: My statement was quite general.

Hon. Mr. GRIESBACH: Is it not a fact that the United States Tariff Commission has the power to go into countries from which goods are imported and insist upon certain manufacturing processes being carried out? There was an instance last year of a small establishment near Toronto, manufacturing an article that was sold in considerable quantities in Michigan. The United States Tariff Commission intervened and issued a direction that this article had to be manufactured in a certain way, otherwise entry into the American market would be prohibited; and it insisted on the employment in the factory of inspectors, whose wages had to be paid by the manufacturer. Surely those powers are far greater than anything contemplated here.

Right Hon. Mr. GRAHAM: I never heard of such a thing as that, but I do know that United States investigators go abroad and try to ascertain the cost of production of articles which enter into competition with those produced in the United States. They have gone through Ontario investigating the cost of production of milk, for instance, and they have visited other countries too. But I cannot imagine how they could impose restrictions on a factory operating in Canada, although they might say to a manufacturer, "If you do not produce your goods in a certain way, we will not allow them into the United States."

Hon. Mr. GRIESBACH: That is what they did.

Right Hon. Mr. GRAHAM: I did not think the statute governing the Tariff Commission, as I remember it, gave them power to do any such thing as that; but the statute has probably been amended several times since I read it. In any event, the workings of the Tariff Commission in the States are not entirely harmonious. Honourable gentlemen will remember that at the last session of

Congress a strong effort was made, though in vain, to curtail the powers of the President and restrict the elasticity of the tariff.

I am alarmed mostly at the instability and the confusion that I fear will follow the passing of this Bill. Last year, I think, we sold to the United States goods to the value of some \$500,000,000, and our imports from that country amounted to about \$900,000,000; but we cannot expect to export our products and import nothing.

Hon. Mr. GORDON: Does my right honourable friend not think we should manufacture more goods in this country?

Right Hon. Mr. GRAHAM: That may be, but we have to exchange some products for those of other countries, for Canada is not self-sustaining. There are some things which we must of necessity import from the United States, regardless of what duty is imposed; and, on the other hand, the United States are compelled to import certain things from us, no matter how high their tariff is raised. We must bear in mind that if we wish to maintain a condition of prosperity we cannot sell everything and buy nothing; if we build the tariff wall so high that no goods can be imported, our export trade will soon die. Trade is a variable thing. If you sell goods to a person from whom you refuse to buy, you will soon find that he will transfer his business elsewhere; and the same thing is true with regard to nations. I have dreamed of a time when there will be between the different parts of the British Empire a far more extensive trade than now exists, and that it will be carried on, as far as is humanly possible, independently of the restrictions that we find it necessary to apply when dealing with foreign countries.

I am told that automobile dealers and manufacturers expect to be taken care of by means of the dumping clause. My own opinion is that this clause renders it unnecessary to make any changes in the tariff schedules at all.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: This clause gives the Minister and the Governor in Council power to do almost everything under the sun, although it perhaps is considered a fine gesture to provide for specific changes in the tariff schedule. As I say, I have been told that automobile dealers and manufacturers expect to be taken care of, under section 2 of the Bill, and new section 37 of the Act:

37. In determining the fair market value for duty of goods imported into Canada, the

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prices of which are published or listed by the manufacturers or producers, or persons acting on their behalf, the Governor in Council may from time to time fix and determine a certain rate of discount which may be applied to such published or listed prices, and such published or listed prices, subject to deduction of the amount of discount according to such rate, shall be deemed and taken to be the fair market values of any such manufactures or productions respectively as are specified in such Order in Council.

The powers of the Governor in Council are wide. If it be true that manufacturers and importers of automobiles have been assured they will be benefited through this dumping clause, then by means of this clause we shall be doing something which we might not have done so readily through a tariff schedule.

I should like to call the attention of honourable members to the fact that the automobile industry in Canada is divided into different classes; in addition to the large plants where cars are built, there are smaller factories which make automobile parts and accessories. May I impress upon the Government the necessity of being careful, so that in striving to please the large corporations it does not put into their hands a club for knocking smaller firms out of business. I know that automobile parts form a large portion of the output of several manufacturing concerns in this country, and if the Government injures these concerns through the granting of better conditions to the larger corporations, not only will it run into difficulties, but it will cause a serious disruption of business in a number of towns throughout Canada.

May I now make a few observations with regard to the iron and steel duties? Perhaps these, because of their many ramifications, are more important than any other items to be found in the tariff schedule. Anyone who imagines that it is an easy task to analyze the situation and determine what ought or ought not to be done for the iron and steel industries, is greatly mistaken. I shall make a brief reference to three large concerns, which I might call original manufacturers of raw ore in this country.

Years ago, when the Dominion Iron and Steel Company, of Nova Scotia, issued its first prospectus, one of the reasons given for considering the purchase of its stock a good investment was that the property was on the Atlantic seacoast and favourably situated for the carrying on of exports, as well as business in Canada. Later on it was found that distance from the large Canadian markets was a disadvantage, and export trade became absolutely essential. The company uses coal from its own mines—or from mines owned by the

same interests which control the company—and imports its iron ore by water from Newfoundland. Although the source of its raw material is not in Canada, it is in the British Empire, if that is of any benefit to us in our present frame of mind.

Then there is the Algoma company, known as the Lake Superior Corporation, which owes its existence to the enthusiasm of Mr. F. H. Clergue, now of Montreal. I was a member of the Ontario Legislature at the time Mr. Clergue started the company; and the Province granted some financial aid with a view to developing iron mines in Northern Ontario. That company also found that its distance from the Canadian market was a great handicap, and after a while it was discovered that the local iron ore was not suitable for the making of steel rails and other products that were being turned out. Thereafter much of the company's ore was imported from across the line—from Minnesota, I think—and, as far as I know, all the ore which the company now uses is imported; and fuel for the plant has to be hauled a long distance, though by water. It will be obvious that the Lake Superior Corporation has to contend with many difficulties before it can place its finished products on the Canadian market. Some honourable members may inquire why the company does not export. I can assure my honourable friend from Edmonton (Hon. Mr. Griesbach) that I appreciate his statement that other barriers besides a tariff may operate against production. Here is a company using United States iron and coal and producing pig iron, which is subject to a lower duty in the United States than in Canada; yet for some reason a success could not be made of exporting. I will admit that the United States tariff was not the cause of the company's failure in that regard. On the contrary, some other unfortunate conditions seemed always to intervene.

Then there is the Steel Company of Canada at Hamilton, which, I think I am safe in saying, imports all its raw materials, coal and iron ore, but is close to both its raw materials and its market.

During the past year or two all three companies, I believe, have been fairly prosperous; but honourable members will realize the difficulties under which the Lake Superior Corporation and the Dominion Iron and Steel Company operate, principally on account of the distance of the plants from the Canadian market. As honourable members know, I was for a time Chairman of the Board of Tariff Commissioners. One of the matters that came before me, at the request of the

late Mr. Robb, then Finance Minister, was an application by the Lake Superior Corporation and the Dominion Iron and Steel Company, I think, for some increase in the tariff. I started an investigation, and if any man ever had a problem on his hands, I had one then. In the first place, these concerns supplied the raw material for a number of secondary manufacturers of iron and steel products, who in turn furnished raw materials for other concerns; and while the original manufacturers were anxious for increased duties, a large number of the other companies concerned seriously objected to any such thing, contending that it would increase the cost of their goods. Unless there was a general increase in the tariff for the protection of all the companies, many of them argued, it would be unfair to give protection to the primary manufacturers.

I confess that I am unable to determine how the various companies will be affected by the new tariff increases. I will not say that these increases have been made without any investigation by the Department, because an examination of some of the items causes me to think that part of the evidence taken by the late Tariff Board has been studied. That is probably what has happened, for all the evidence taken by the Board would be available to the present Minister of Finance. As everybody knows, it is possible for people of different opinions to draw opposite conclusions from the same set of facts. From his own standpoint, the Minister is probably justified in the conclusions reached. I might not have arrived at the same conclusions. Some manufacturers of iron and steel products, who objected in the first place to increases being granted for the benefit of primary manufacturers, are not sure now whether they are to be benefited or hurt by the new rates, and are busy with their pencils endeavouring to find out how they will be affected. Others have written me that the increased duties will be highly beneficial. One manufacturer said to me, "I do not see anything that will hurt me in the schedule." I asked him, "Do you see anything that will benefit you?" And he said, "No; I am interested in finding out if the increased protection to the primary manufacturers is going to result in raising the price of my raw materials. In one or two instances I am afraid it will."

I am merely endeavouring to point out the difficulties that arise when we make changes in the iron and steel schedule. My honourable friends opposite must not feel sure that their hopes will be realized because the tariff has been raised, for while the primary manu-

facturers may benefit, other concerns in small towns all over our country may in consequence be injured.

There is another point, if I am not getting too discursive. In that tariff or schedule, the Government proposes to reduce the percentage of British material and British labour required by Canada in goods exported to Canada under the preference. I have attended economic conferences and I know something about their discussions. There was a good deal of discussion as to the percentage that ought to be demanded. I insisted that under the preference we should not be asked to accept goods coming from any other country in Europe, and passing through Great Britain for finishing purposes, unless those goods contained at least fifty per cent of British workmanship and British material.

An hon. SENATOR: Not enough.

Right Hon. Mr. GRAHAM: Well, I insisted on fifty per cent. I was told that we exported automobiles to Great Britain which were largely the result of assembling plants in Canada, and not the result of Canadian manufacture. But I assured them, by giving them a list of some of the larger ones, that those manufacturing establishments in Canada were using from 50 to 75 per cent of our own labour and material. Finally the amount was raised by Canada to 50 per cent. Now I see the Government is going to reduce that to 33½ per cent. That is, goods coming from Great Britain to Canada will come under the preference if 33½ per cent of their value consists of British workmanship and material of British manufacture. The reason given for that is that it will help the Lancashire cotton mills. Well, it may, but let me point out that those cotton mills can get their raw cotton in the British market.

Hon. Mr. FORKE: That is denied.

Hon. Mr. GRAHAM: I do not think the denial is good.

Hon. Mr. GRIESBACH: Forty per cent is the proportion that can be got in the British market. My recollection is that of the cotton used in Great Britain only 40 per cent is grown in the British Empire.

Right Hon. Mr. GRAHAM: That is true because Great Britain will not buy it; it costs too much. But I think I am fair in my contention that it could be purchased in the British Empire if they wished to go to the place where cotton is grown. But the Lancashire cotton mills—and I am not blaming them—get their raw cotton from the United States, and we are reducing this proportion

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to 33½ per cent to let the United States sell raw cotton to the Lancashire mills, and the Lancashire mills can sell us cotton goods manufactured from that raw cotton.

Hon. Mr. GRIESBACH: Would it be possible that this reduction is being made for the purpose of offsetting the New Zealand legislation against Canadian motor cars, to enable us to deal with New Zealand in connection with that matter? The right honourable gentleman is no doubt aware that in New Zealand they have recently taken our motor cars out of the British preference for the reason that cars made in Canada do not contain a sufficient amount of Canadian labour and material. Might not the reduction to 33½ per cent give us a basis for dealing with New Zealand in the matter of motor cars?

Right Hon. Mr. GRAHAM: I think that butter would be the best basis and the only basis. If I remember correctly, New Zealand requires more than 50 per cent of Canadian material. I know that Australia required more than 50 per cent of Canadian workmanship and material. I think that the increase in the percentage made it more difficult for us to trade with New Zealand, and it has taken a definite stand now. Yet I cannot see the connection between Lancashire cotton and New Zealand.

If that reduced rate applied to Lancashire cotton only, I would not say what I have said, but it applies to other commodities. Germany can send in its semi-manufactured material to Great Britain, and if in that material there is 33½ per cent labour and material of Great Britain, then it comes into Canada under the preference, and I say that some manufacturers in Canada have to suffer on that account, and they will suffer more now. People will not be buying goods produced mostly by British labour; they will buy imported goods that are only 33½ per cent of British workmanship and material.

I want to call the attention of the Government to that provision, because it is so broad in its terms. It will help the Lancashire cotton mills. I am not going to argue that any further. I would not say what I have said to-night but that I know from representations made to me by one of the manufacturers in Canada that they are going to be very materially injured by that one act.

Hon. Mr. McMEANS: What would you suggest?

Right Hon. Mr. GRAHAM: I would suggest leaving it at 50 per cent. If there is

a wish to give the Lancashire cotton mills the benefit of the 33½ per cent, why not do it by naming them specifically?

Another point has been brought to my attention, in connection with farm implements. The duty on them has been raised. I am not going to argue that, but I want to point out the necessity of allowing the small manufacturer as well as the larger one to have a chance for a living. I am just going to read a memorandum which has been placed in my hands by a manufacturer:

The former general tariff on agricultural implements ranged from 6 per cent to 15 per cent; the new rates are 25 per cent, but with the exception of \$1.25 per ton on pig iron and \$3.50 per ton on hot rolled bars, they are still able to import forgings, stampings, castings, under item 442 at 6 per cent. It is evident that the just interests of the parts manufacturers in Canada, supplying to the agricultural implement manufacturers, have been overlooked.

So the product that could be sold, and perhaps has been sold, for the manufacture of implements by some manufacturing concerns in smaller towns is protected at 6 per cent, while the manufacturer of agricultural implements gets 25 per cent. I am calling attention to this so that the Minister may make a note of it and see the ramifications and, above all, look well to it that the few large concerns in the great centres are not given all the benefits by the high tariff, while the smaller concerns, which are to a large extent the life of the smaller centres, are sacrificed.

I have talked too long, honourable gentlemen, but I could talk much longer if necessary—if it were on the Address, for example, and we were trying to take a long time. I have just gone roughly over some of the points, and I want to impress it again on the Minister of Labour that I pity him from the bottom of my heart.

Hon. Mr. ROBERTSON: Too bad.

Right Hon. Mr. GRAHAM: He is going to sit up nights and work Sundays, not to give the people things, but to dodge the people that are asking for things.

Hon. Mr. WILLOUGHBY: That is ever the Minister's luck.

Right Hon. Mr. GRAHAM: I am glad he has the protection of the Governor in Council, who I think is giving full discretion to the Minister. I want to impress on the Minister the absolute necessity of our representatives getting to the Economic Conference, and I know that we in this House will expedite that as far as humanly possible. Will the Minister do me the favour of saying that some

members of this House express the view that the biggest job the Canadian Prime Minister has is to see whether he can come to some business arrangement, with Great Britain or other countries, whereby we can sell our goods at a fair price and thus start the wheels of industry of all kinds moving? If that could be done, much of our unemployment would disappear. Such an arrangement would do more good to Canada as a whole than all the tariffs we could enact, and all the dumping clauses that could be put on the Statute Book.

Hon. RUFUS H. POPE: I am delighted to think that my dear old friend is at last converted to the system of protection, to which he has been opposed for so many years. Now he dodges and jumps and squirms around, and makes us think of the angle-worm trying to catch up to the frog. It is wonderful. Poor old England, which was the queen of the industrial world, is now getting converted. Think of it: the great industrial centre of the world, England, with factories closed and with millions of people doled.

We are situated along the frontier of one of the great centres of the world, the United States of America. We all must know, if we know anything at all, that the manufacturer in the United States sells through the wholesaler, and the wholesaler through the retailer. The wholesaler buys from the manufacturer this year's goods, from patterns suitable for this year. When he buys them he has a contract that if those goods are sold to any other wholesaler at a lower price than he has paid for them, he will get the benefit of a reduction. The same applies between the retailer and the wholesaler. When the purchaser buys his goods for the year he buys on that contract. Now, when the wholesaler or the manufacturer, as the case may be, has a few thousands or a few hundreds of thousands of yards left over of any kind of cloth, what is he going to do with it? He cannot sell it in the United States market without giving the percentage of reduction that his contract calls for. He had better take it north and dump it. He says: "Where shall I dump it? Let me dump it in the nearest market. Where is the nearest market?" Therefore he dumps it into Canada.

Under our present arrangement it comes for appraisal. Anybody who knows anything about the business that I am talking about knows that. Well, the owner looks around to see if there are any of those great buyers who are looking about to see where they can buy stuff below its cost, and will buy that stuff by the thousands of yards. We will

say the goods should have cost \$14 to manufacture. Anybody who is in the business knows what they cost. What do they value them at? They value them at what Eaton pays for them—probably \$7, \$8, or \$9. The buyers come, and to the ruin and destruction of our own industry they take away the living of this country so far as it is obtained from customs duties. That is well known to everybody, and if we are going to protect ourselves against that, we must not only have a strong tariff, but we must have a dumping clause as well.

Now, I have listened to my honourable friend with regard to the dumping clause, and I am free to admit he knows more about that than I do, because he has had experience that I never had; but personally I can see my way clear to say that the Government of Canada, or even a Minister, should have as much right to protect us by a dumping clause as the President of the United States has to protect the people of that country. If the Government takes that power, then the Government will try it for the next six months. I am glad of it, and I hope it will bring about some success by protection for the industries of the Canadian people. That will be in the interest of the consumer, the farmer—everybody. You cannot divide the people into producers and consumers. You cannot segregate some of the citizens of this country and say: "They are farmers; they do not want protection." You cannot say that the labouring man does not want protection. He is asking for protection to-day, and we are voting \$20,000,000 here to try to help protect his life and the lives of his children, and help him for the next few months. I say that in all the industrial life, in all the agricultural life, in all the labour life of Canada, protection is desired if we are to grow up to be the strong nation that Nature intended us to be on the northern half of this continent. I say, let us intensify the protection, and let us see what the results will be.

The political party to which I belong brought down in 1878 what is known as the National Policy. Afterwards, listening to the party represented by honourable gentlemen on the other side of the House, we weakened our tariff and our position, we weakened Canada, and out we went, and in they came. Laurier was then the Prime Minister—and I knew him well personally. Did he lower the tariff which he had condemned? Thank God, he did not lower it, and it helped Canada through a period of years. On every single occasion when Canada has been raised out of the dust it has been done by protection in one form or another.

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Of course I was always opposed to this British preference, and I am opposed to it yet, because the products to which it applies may not be made in Great Britain; they may be made in Germany, or made in France, or made in Italy, or anywhere else. I was over in Britain, and went into an establishment that was doing a great trade in umbrellas, parasols and ladies' clothing, and I insisted on seeing the works that this gentleman had been talking to me about, and when I got into his factory what did I find? Ten sewing machines, and ten girls sewing. The rest of the work was all done on the continent of Europe. You ask me under those circumstances to accept a British preference? Not at all. I do not think we owe England that. I think we owe England our support if she is in trouble, but so far as commerce is concerned I have never known old England to make a sacrifice for us, though I have known Canada to make a sacrifice for her.

I believe in Canada as a unit in itself, independent of all the other nations of the world. If you want coal and iron, go up to Hudson's Bay, where the iron is of good quality and coal is to be found. Go to the head of our railroad there and open up a great agricultural implement factory where the coal and the iron will be available. The people on the great prairies of the Northwest will purchase your goods. The country has been developed by the efforts of Liberal and Conservative Governments, but the development was inaugurated by the Conservative Government; as everything for the welfare of the country has always been inaugurated by it and imitated by the party opposite. You are imitators—not bad ones. You imitated the great Hudson Bay development, and there is a great opportunity up there, inside the Dominion of Canada, to bring together that iron and that coal, and manufacture implements to be used on those great prairies, and the transportation cost would be almost nil.

We have wonderful opportunities. Let us not waver for one moment. Let us not hesitate to give to the Canadian people all the protection that great nations have, like the successful one to the south of us. Let us give such advantages to our people, whether they be consumers, farmers, or laborers, and we shall advance in the same degree as the people to the south have advanced.

Hon. C. MacARTHUR: Honourable members, like some others who have preceded me, I am going to ask the indulgence of the honourable the leader of the Government, and of the members of this Chamber, to anticipate

the legislation shortly to come before us, which is really a corollary to this legislation in reference to dumping.

The ramifications of this legislation are so extensive that no person who has not had experience in the importing business can fully realize what it means. In the first place, I would point out that the tariff is a matter for experts. I may say that for twenty-five years I have followed the tariff very closely. I happened to be the president of a wholesale concern that did a business of half a million dollars a year, and as such had too many unhappy experiences with the customs regulations and the tariff to be entirely ignorant of the subject. I have made trips to the Old Country to satisfy myself of certain conditions in order that I might be better prepared to come before the Minister of Customs or his deputy and show that from time to time the importers were penalized, and that the consumers had suffered in consequence. In many cases I was successful. More than fifteen years ago, when Mr. Patterson was Minister of Customs, and Mr. McDougald was his deputy, a question came up in regard to the importation of wire netting, which was one of our main articles of importation. I may say that in the course of business we hardly ever had two successive invoices without post entries being made, and all sorts of technicalities being raised in regard to the rate of duty and dumping. I remember one particular shipment that came, and that the customs officials refused to pass. I came to Ottawa, and after some difficulty secured an interview with the Minister. I was told that the Department was not legislative, but administrative, and that changes could not be made by the Customs Department. I said that if they were necessary we would have the matter taken up by our member and threshed out on the floor of the House. My firm was in a position to place \$100,000 worth of wire netting. I had letters in my possession from all the wire netting manufacturers in Canada stating that they could not manufacture anything stronger than 16-gauge netting, and that they did not galvanize the netting after it was woven. At last, after two or three days of argument, the Department admitted that my contention was correct. As a consequence we saved some thousands of dollars on the shipment, and the consumer got the benefit.

The fact is that the manufacturers of this country are exploiting the consumers. The tariff is full of anomalies. I will take second place to no man in this Chamber or in the House of Commons on tariff matters. I say

that in all humility. I have made a study of the tariff, and understand it perfectly as far as the items are concerned.

Wire netting is a commodity largely used in Prince Edward Island, and a large amount of money, probably over \$500,000 a year, is involved in its importation. We have repeatedly asked the Canadian manufacturers to instal galvanizing vats to galvanize the netting after it is woven. The netting manufactured in Canada is galvanized by what they call the rubbing process, a powder process that takes place before it is woven. We asked them if they would put in galvanizing vats if they were assured of a certain amount of business. They said that they would not; that they would not galvanize the netting after it was woven, and that they could furnish nothing heavier than 16-gauge. That is only one among scores of experiences.

Another article not manufactured in Canada is the power-driven bone-crusher. But because there is a simple affair that is used in kitchens and comes under the same classification, these bone-crushers are subject to a certain duty. These are just a few instances of the difficulties that we encounter.

It has been said in another place that assurances have been given by the manufacturers that the consumer will not suffer by reason of the increased protection. In view of the fact that not only in Canada, but the world over, there is a tendency towards a reduction of prices, perhaps we can accept that statement. The manufacturers, who are well looked after, can go so far without any material disadvantage to themselves, but I know that in some instances such an assurance has not been given and is not going to be given. But does not the consumer suffer by reason of this added protection? But for it he would be able to get the necessities of life at a lower price, as consumers in other countries are doing. This lower price condition is world wide; and the consumer in this country is bound to suffer by reason of this change in the tariff.

A matter that enters largely into the cost of production is overhead. Overhead is, to use a slang phrase, very easily "padded." Is there going to be any investigation into the details of operating cost—salaries, automobiles, trucks and things of that kind that go into the overhead of the manufacturers? Overhead is something that can very easily be expanded, thus making profits look very reasonable when, as a matter of fact, they are quite the contrary.

The whole tendency of this legislation is to curtail sales, stifle enterprise, and make

for instability in the business of importation into this country. I should like to ask the honourable gentleman in charge of this Bill if he can assure this House and the country that the importers, who constitute a substantial body, will have a guarantee that the decision when given by this final arbiter, who seems to be a Mussolini in tariff matters, will be final? When an importer goes to a port of entry and makes the three copies of his entry, and pays the duty, and takes the goods and sells them to the consumer at a price based on his cost price plus duty, freight and insurance, can he be certain that two or three, or perhaps six months later, he will not be asked by the Customs Department at Ottawa to make a post entry? That is something that happened under previous Governments, and under the present Government it is going to happen ten times as often as before. I ask this not only on behalf of my own firm, but on behalf of others.

I see many difficulties ahead, under the proposed system. This tariff muddle is the biggest bungle ever made by any Government in Canada. The tariff is not well balanced. Already even the manufacturers are quarrelling among themselves because they did not understand that raw materials were to bear such a high duty. I know that the Prime Minister has said that the consuming public will be protected. I know also that the director of a certain manufacturing concern in the Province of Quebec, when asked, "Are you or are you not going to take advantage of this added protection?" said, "Certainly we are." When he was asked if he had not seen the statement of the Prime Minister, he said, "Certainly. But what are we in business for?" That is an instance that can be multiplied by two or three hundred.

Hon. Mr. LAIRD: What is the name of that firm?

Hon. Mr. MacARTHUR: I will give the honourable gentleman the name of the firm.

Hon. Mr. LAIRD: Let us have it.

Hon. Mr. MacARTHUR: I do not think it would be well to give it here, but I will give it to my honourable friend.

The honourable gentleman from Bedford (Hon. Mr. Pope) has spoken of the power of the President of the United States in tariff matters. It is true that he has the great power that was attributed to him by the honourable gentleman; but the Governor in Council has a similar power, even though it is said that it will not be exercised except in

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extraordinary circumstances. I ask honourable gentlemen if the President of the United States ever exercised his power overnight. In the United States there is a Board which reports to the President before he takes action, and in the course of ordinary procedure he cannot very well decide intelligently on matters of that kind without giving them some consideration. This takes time. I have a particular case in mind. In the Province of Prince Edward Island the seed potato industry is an important one. Some question was raised about so many potatoes going from Canada into the United States, much to the detriment of the farmers there. What did President Hoover do? He sent men to Prince Edward Island, where they spent weeks among the farmers, securing information as to the cost of labour, fertilizer, and so on, in order to ascertain the cost of our potatoes bagged and shipped to their own country. When they had done that they made their report to President Hoover, and he acted upon it. But that took months. The result of that action is embodied in the Hawley-Smoot tariff, from the effects of which we are suffering.

President Hoover does not decide overnight, but we are going to have a system whereby one man can fix the value of the goods and say what duty is to be imposed. An importer who brings in goods upon which a certain valuation is placed may upon ordering again find that in the meantime this gentleman has changed his idea of values. I could multiply such instances that business men will encounter every day of the year.

Canada is not a self-contained country. Why should not our consumers have the benefit of goods from European and other countries? We are not hurting Canadian manufacturers. The whole aim of this tariff is simply to prohibit importation of all kinds.

That brings up the important question of where this country is going to get revenue, or, in the alternative, of how much the people of this country are going to have to pay by reason of increased taxation. We know that in the case of a few items the Government will get an increased revenue by means of the higher tariff, but there is no doubt that the aggregate result will be a lessened revenue. I think that must be admitted. Because of the decline in foreign trade we already have a declining revenue. I think this House and this country would be justified in asking the intention of the Government in regard to revenue. Where is the revenue to come from to provide for the big expenditures that are

proposed? What is the Government going to do about revenue? That question is put to me when I go home, and I receive many letters inquiring about it. Where are we going to get off?

If we take the legislation embodied in the next Bill that is to come before us, we find that on the eve of the attendance of the Prime Minister at the Imperial Conference duties are being increased tremendously, and that the British preference is being reduced. Will that tend to increase or restrict our trade with Great Britain and her colonies? We send out to Great Britain and her colonies more than twice the value of goods that we buy from them. How is this legislation going to affect the balance of trade? Is it going to increase it or diminish it?

These are some of the questions that I should like to have cleared up, and I hope the honourable leader of the Government (Hon. Mr. Willoughby) will give us some information along these lines. Some question has been raised in regard to the amount of Empire cotton contained in manufactures imported into this country under the British preference. This is a question with which I must confess I am not familiar. I heard the discussion in another place, however, and it was stated, with no uncertainty, by the Prime Minister, that the countervailing duties and the Dunning Budget were a camouflage, a farce, a foolish piece of legislation, and that the 33½ per cent or the 50 per cent, or whatever it was, was inserted with the knowledge that the Old Country manufacturers could not meet the condition owing to the difficulty of securing raw material, and therefore the thing was simply window dressing—a mere gesture. Now we hear from the honourable gentleman on the other side of the House remarks indicating that he has altogether different views. I say that the whole question of the tariff is one for experts, and in my opinion—which will not be changed unless some strong evidence to the contrary is produced—the changes were made hurriedly and without the necessary consideration. It seems to me that the result will be confusion and loss to importers, and, in the end, the consumers will suffer.

Hon. W. B. WILLOUGHBY: Honourable senators, I purpose to make but a few remarks, because I prefer that the principal explanation of the Bill should rest with the responsible Minister (Hon. Mr. Robertson). I should like to advert to one or two things mentioned by my right honourable friend from Eganville (Right Hon. Mr. Graham). He seemed

to apprehend that under the new tariff the Government would not have the same opportunity as exists under the present tariff for securing a market for our grain. I must confess that I see nothing to warrant such an opinion. There would have been a great advantage if the late Government had been in a position to bargain for the disposition of the current year's grain crop, in bulk or otherwise. I cannot speak with authority of what that Government did or omitted to do, and I prefer not to repeat in this House any mere rumours that I have heard. In any event, there will be nothing to prevent the new Government from doing anything that the late Government did. The Government will now have a weapon—I do not use that word in any offensive way, of course—in dealing with Great Britain; in other words, it will now be possible to offer quid pro quo. As we all know, Great Britain, which is a nation of traders, is anxious to increase its exports; and it might be possible to arrange for a market for our grain in that country in return for tariff concessions in Canada with respect to certain products manufactured wholly or partly in Great Britain; preferably those wholly manufactured there. I say that the new tariff will strengthen the hands of our representatives at the coming Economic Conference.

The right honourable gentleman contends that the new legislation will give greatly increased power to the Minister. Now, if he will look at section 43 of the Customs Act he will find that there is only one difference between the old and the proposed legislation. Section 43 of the Act as it now stands is restricted to "natural products of a class or kind produced in Canada," whereas the amended clause will cover "goods of any kind." Under this Bill, as under the existing Act, the Governor in Council determines the amount of duty that shall be paid. The right honourable gentleman said that perhaps it would be found far more difficult to deal with "goods of any kind" than with "natural products." Well, the natural products of this country are of a very wide range, and include those of the farm, the vineyard, the mines, the forests—

Hon. Mr. FORKE: But the articles were specified; the Act did not cover all natural products.

Hon. Mr. WILLOUGHBY: It says, "natural products of a class or kind produced in Canada." That is the wording of section 43, at all events.

Hon. Mr. FORKE: If the honourable gentleman will excuse me, I think twelve or fourteen articles are mentioned.

Hon. Mr. WILLOUGHBY: There are some, I know. It has been contended that the new tariff will result in business instability, but I do not see any ground for that conclusion. It may be that at the next session of Parliament a number of amendments will be required to the new tariff; it may be that some unforeseen conditions will develop and necessitate subsequent legislation. However, that is a condition that would have to be expected regardless of what changes were made in the tariff.

Hon. Mr. MacARTHUR: Will my honourable friend permit a question? When an importer receives goods and his entry is accepted by the collector at the port of entry, will that be a final appraisement of the value under the new Act?

Hon. Mr. WILLOUGHBY: If I understood the honourable gentleman rightly, he told us that it would not be final.

Hon. Mr. MacARTHUR: I referred to the old order of things.

Hon. Mr. WILLOUGHBY: I suppose so far as that is concerned, it remains the same. Any difficulties that my honourable friend has said are likely to occur under the new legislation are equally possible under the present Act.

The right honourable gentleman from Eganville (Hon. Mr. Graham) remarked that the new legislation might benefit automobile manufacturers and dealers at the expense of certain smaller concerns. Well, I have not the technical knowledge to enable me to controvert or support that statement. In any event, it is contemplated, as his own argument shows, that there will be an increase in the manufacture of motor cars in Canada. Reference was also made by my right honourable friend to the Lake Superior Corporation and Mr. F. H. Clergue. I was a resident of Toronto and I remember attending a meeting of the Board of Trade—it seems a century ago now, on looking back—when Mr. Clergue was looked upon as one of the most important men in Canada. But he proved to be a dreamer. I know that one of his propositions was hopelessly wrecked, and the Ontario Government, if I remember correctly, had to lend assistance, for the protection of the public. We are hoping to see the development of a great steel industry in Canada, for we believe we have unusual opportunities here. One honourable gentleman on this side of the House has re-

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ferred to the possibility of discovering valuable raw materials in parts of the country near Churchill. I understand that discoveries of iron and coal have been made up there, and I believe it will be found that the power can be developed very cheaply in that part of the country.

With reference to trade with Great Britain, I take the Canadian attitude—and I have always done so, although I call myself an Imperialist—and that is the attitude of the leader of my party, the Prime Minister of Canada. I believe that the primary duty of our Government is to the people of this country. We should trade within the Empire, if possible, and if that cannot be done our trade should be along other legitimate channels. I think we should be in a position to bargain with Great Britain, to be able to grant tariff concessions with respect to some of its products, in return for the privileged entry of some of our goods into British markets. All the other Dominions can, if they so desire, trade with Great Britain along the same lines, by means of preferential duties. As all honourable members know, some things can be manufactured more cheaply in the Old Country than in Canada. Of course, there are some people in this country who believe the cheaper that goods of any class can be bought, the better, but I do not agree with that. I am altogether opposed to dumping. I think our people should be protected against unfair competition resulting from cheap foreign labour and the existence in other countries of conditions that do not exist here. We want a parity of opportunity—not protection, as such—for our people, so that we may develop certain lines of manufacture for which we have great natural advantages. With respect to such manufactures, I believe it is a wise policy for Canada to protect its markets as far as possible. I have no apologies to make for a protectionist doctrine of that kind.

Hon. ROBERT FORKE: Honourable senators, I crave the same indulgence accorded to some other speakers, that remarks made concerning the present Bill will be considered to apply to another Bill which will be introduced later. I should not speak at all at this time were it not for the fact that I do not want legislation of this kind to pass without some protest on my part. I know very well that the great majority of the people in the province from which I come will not favour this legislation. I realize that I cannot give any new arguments either against protection or for free trade or low tariffs; the whole question

has been discussed ad infinitum, and when tariff changes are made we can do nothing but watch closely to see what happens.

I honestly and conscientiously believe that this legislation will not be in the interest of the Dominion as a whole. I admit that the argument for protection is plausible; in fact, it is difficult to combat. It does not matter in what kind of business a person is engaged, he will be deeply interested if offered protection for his industry. Yet, every economic authority of which I have heard agrees that the principle of protection is economically unsound. Some honourable members may say, "We are not interested in theories now; we have to contend with a practical situation." But to my mind it is a fact rather than a theory, that protection such as planned under this legislation is bad. In fact, it seems to me that, as the Right Hon. Arthur Meighen said of some other proposal in another place, this is protection gone mad.

Subsection 1 of section 43 of the Act, as amended, reads:

43. (1) If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister that goods of any kind are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers, the Governor in Council may authorize the Minister to fix the value for duty of any class or kind of such goods, and notwithstanding any other provision of this Act, the value so fixed shall be deemed to be the fair market value of such goods.

There is no limit to the powers of the Minister here; if he so desired he could absolutely prohibit the importation of any class of goods, and I think that was admitted in another place. I am not saying that the Minister would do that kind of thing, but it certainly seems to be a tremendous power to put into the hands of an individual—for the Minister will have the real power, although the Governor in Council grants the necessary authority.

It has been said that this legislation will benefit the producer. Will honourable members excuse me for making a personal reference? I have barns full of produce. Will the Minister, by protecting my goods, enable me to sell them at a profit? I say that would be absolutely impossible, for there is no legislation that can be introduced here or in another place that can protect the man who has to sell his goods in the markets of the world.

We often hear it asked, "Why not keep our good money at home and encourage Canadian production?" Well, I should like to ask honourable members if they have seen

much Canadian money floating around in the United States, where we bought \$900,000,000 worth of goods last year. They do not want our money over there, and the goods we purchase from them are paid for by our goods—perhaps not directly, but through the complicated economic system which exists. If we pass legislation which will make it impossible for us to buy the goods of other countries, I wonder how we are going to sell our products abroad. If we ship goods to Great Britain we must expect to import certain products from that country. It seems to me that every barrier placed on international trade results in making business conditions in our own country more difficult.

I recently read an article by the Hon. Walter Runciman, in connection with the attempt to force protection upon the Old Country. He remarked that protection seemed to be popular throughout the world to-day. All over Europe the war-ridden countries are trying to build up impassable trade barriers against one another. Mr. Runciman believes that conditions will not improve and people will continue to suffer until such an unbearable situation arises that, in self-defence, countries will have to do away with their tariffs. Once the tariffs are abolished, trade will flow as freely as water, and find its own level. I believe the day is distant when tariffs will be done away with, but I feel that not until then will our unemployment problems be solved. Tariff abolition is an ideal towards which we are striving, and any country that realizes that ideal must surely benefit. Notwithstanding differences of opinion among honourable members on other matters, I think all will agree that Canada has made tremendous strides forward in the last eight or nine years. I think our country was bound to advance irrespective of what party was in power, but it was a proud thing for me, and I think for most Canadians, that Canada had the lowest tariff and yet was perhaps the most prosperous country in the whole world. But we were not content; we wanted a change. The difficulties and troubles we have come through had nothing whatever to do with either high tariff or low tariff.

Some speaker mentioned the conditions in England. I think the honourable leader of the Government was present at a recent meeting at which Mr. Lukin Johnston delivered an address on the problems existing in England to-day. He said that across the south of England, in a great many counties, there was great prosperity; people were living

well, dressing well, enjoying all the comforts of life. It was a mistake to think that goods were being produced in England under circumstances that Canada could not begin to compete with. The distress was in the mining district, and other large districts where unemployment is very rampant at present; and we are very sorry to hear about the suffering and misery prevailing there.

I did not intend to make a speech. I rose only to register my protest, because I know it is expected of me, and I feel sure the people of Western Canada will not approve of the changes that have been made overnight in the tariff of this country.

Hon. Mr. DONNELLY: I understand the honourable gentleman contends that goods imported from the United States are paid for, not with Canadian money, but rather with Canadian products. Now, my recollection is that during last year we imported \$900,000,000 worth of goods from the United States, and sent to them only a little more than half that amount. How was the balance paid for? My understanding is that goods bought in the American market are paid for with New York drafts, which are quite as good as Canadian money. I do not say that Canadian money goes into circulation all over the States.

Hon. Mr. FORKE: World economics are very complicated, and I do not intend to explain the whole thing. There was a balance of trade with Great Britain amounting to \$100,000,000 in favour of Canada. Great Britain owed the United States a tremendous sum of money. I will not follow the course of the whole transaction, but the balance was made up in the way trade is balanced the whole world over: not with money, but with goods.

Hon. Mr. DANDURAND: It is by triangular financial movements.

Hon. Mr. MacARTHUR: I do not want to seem discourteous, but I have a difficulty that has not been answered in any way, and my friend to the left has the same difficulty.

Hon. Mr. ROBERTSON: We have not had an opportunity to answer yet.

Hon. Mr. MacARTHUR: New section 43 says that "the value so fixed shall be deemed to be the fair market value of such goods." The words that have been struck out, we are told, have been superseded by the underlined words, and we find the underlined word is the word "fix." In ordinary phraseology we should say that the terms were synonymous.

Hon. Mr. FORKE.

Evidently there is some ulterior motive for underlining this word "fix." When our collectors at outports accept entry from the importer, is the value actually fixed, or is it indefinite, and subject to a post entry? Nobody seems to answer these questions, and nobody seems to know. Importers say there are material changes in the Act, and surely somebody is able to tell us whether there are or not.

Hon. Mr. ROBERTSON: If no other gentleman wants to discuss the matter further at this time, I should like to make a few remarks in the hope of perhaps giving a little information to some honourable gentlemen who have asked questions. Perhaps I also may be pardoned for digressing a little from the Bill that is now before us, because it may well be that when the Tariff Bill comes to us from another place the desire for prorogation may be present, and opportunity may not be available then for a full discussion. If, therefore, I make a remark or two on tariff matters apart from this Bill, I trust I may have the same indulgence as other members have had.

To deal first with the question my honourable friend has just asked, as to section 43 of this Bill, it empowers the Minister, with the approval of the Governor in Council, to "fix the value for duty of any class or kind of such goods." That is, the goods that are referred to in the former paragraph, which means any goods except just natural products of Canada. The words "so determined" are changed to "so fixed." The effect of the Act is in no way changed. The procedure will continue as it has been for years, and the only real change in section 43 is that the Minister, with the approval of the Governor in Council, is given power to fix the value for duty of those goods of any kind, instead of just natural products.

Perhaps I might say why that is desirable, why the Government seeks that authority from Parliament. I think my honourable friend from De Lorimier (Hon. Mr. Dandurand) told us that since the war period Canada had reduced her tariff four times. I do not suppose he meant an entire reduction of all items.

Hon. Mr. DANDURAND: Twice under your régime, and twice under ours.

Hon. Mr. MacARTHUR: Have you answered about the word "fixed"?

Hon. Mr. ROBERTSON: I thought I had.

Hon. Mr. MacARTHUR: Is there any change?

Hon. Mr. ROBERTSON: Only altered in language, perhaps.

Hon. Mr. MacARTHUR: No; I would say that to "fix" a thing is more positive than to "determine." The word "determine" would mean that some consideration had been given to it; "fix" would mean an arbitrary act.

Hon. Mr. ROBERTSON: That may be my honourable friend's interpretation.

Hon. Mr. MacARTHUR: That is the general interpretation.

Hon. Mr. ROBERTSON: It has occurred during recent years that almost all countries in the world except Canada have been increasing tariffs and increasing protection to labour and industry in their respective countries. Canada has been travelling in the opposite direction until a great many industries have found themselves unable to carry on competition with goods imported from other lands where living standards and wage standards were a great distance below those in Canada.

Some honourable member a little while ago referred to Japan. I know of an instance where a certain large concern, I think a departmental store, imported some 6,000 dozens of a certain article at a cost price quite below the possible cost of production in Canada; yet those goods were sold and are being sold today to the consumers of Canada in competition with the goods that are being manufactured in Canada, with the result that the manufacturers are being crowded to the wall and must of necessity give up the ghost unless they get relief. The consumer has not benefited. The Canadian manufacturer is well-nigh destroyed, and the foreign manufacturer, with his labour costing probably one-third that of the workman in Canada for similar service, is getting the business. So the proposal is that the Governor in Council, when the Minister of National Revenue finds such conditions existing to the detriment of Canadian trade and Canadian workmen, shall have the power to adjust the matter and fix the value so that at least the competition will be more nearly equal. I am sure that is a fair explanation, in a few words, of the purpose of this alteration.

With reference to tariffs generally, the fact remains that tariffs have suddenly or gradually been lowered in Canada, and I quite agree that such changes as were made in the post-war period were perhaps a mistake; but there were causes for them which I think we all appreciate. Inasmuch as the tendency has been growing worse from the standpoint of Canadian industry and Canadian employment, it became a question of national interest during the past few months, when the election

campaign took place. The leader of the present Government made positive declarations to the people of Canada as to what he would do if he were authorized by the people of Canada to put his policies into effect. Wisely or unwisely, the people of Canada approved his policy, and he is proceeding without delay, and as rapidly as is reasonably possible, to implement those promises, in the expectation and hope that he is going to assist in reviving industry and try to provide with employment thousands of people who are now out of work. So there are before this House proposals with respect to amendments to the Customs Act for the purpose of eliminating as far as possible unfair competition, and proposals for the purpose of encouraging industry to be more active than it has been.

The Prime Minister has gone a step farther and has launched upon a new idea, and is giving it effect: he proposes to protect not only the labourer, and the producer of natural products, but also the Canadian workman, and, last and most important of all, the Canadian consumer. He has obtained definite, clear-cut written declarations from producers that if they are given the opportunity to make Canadian products, prices will not be advanced. It is a great experiment, the results of which we cannot foretell until it has been tried out.

Surely it is evident that something different from what has been the case during the past year or more should be tried, because of the continued depression, and reduced prices in other countries of the world, which are dumping their goods into Canada and thus constantly decreasing the purchasing power of our people through depriving them of employment. It must be realized that the purchasing power of a nation depends upon the earning power of the people. So it is proposed that the people of Canada shall be given an opportunity to increase their earning power by increased employment, and that the consumer shall not be exploited.

Those are the principles that lie behind the legislation of this Bill and the Tariff Bill that is yet to come; and I suggest that it is the wish of the people of Canada, as expressed by the electorate recently, that those policies should be tried out and made effective. If they do not bring about the cure that is anticipated, then the Government itself must assume responsibility and realize that it has failed in its mission. I am convinced that it will not fail. I am convinced that, given the Canadian market, the Canadian manufacturer can supply the goods that the people use in their everyday life, just as Canada

excelled during the days of strife and struggle, when she did exceed almost any other country on earth in manufacturing the goods that were necessary for the world's use at that time. In my humble opinion it will go a long way toward easing the difficulty under which our agrarian friends in Western Canada now suffer that they should be able to extend their home market, and enlarge more and more the production of the things that the Canadian people will consume; because the farther away your market is, the more costly it is to transport the goods that you produce, and it is the producer who must bear the cost.

So this experiment, as submitted to the people, is now submitted to Parliament, and I believe that our honourable friends opposite will at least let the Government try the experiment out, and if it does not succeed I expect they will come and say to the Government, "We told you so." But the people of Canada are not satisfied with the situation as it has existed, and are looking forward to a change, and to the adoption of the policy of the Prime Minister and a fulfilment of the promises which he has made. Therefore the Government of this day is launching upon a courageous course which it believes will bring greater happiness and prosperity to the country at a time when they surely are sorely needed.

Hon. Mr. MURDOCK: May I ask my honourable friend a question? I concede absolutely that there is a great exhibition of courage here, but as I read section 2 of this Bill I notice that new section 37 says:

37. In determining the fair market value for duty of goods imported into Canada, the prices of which are published or listed by the manufacturers or producers, or persons acting on their behalf, the Governor in Council may from time to time fix and determine a certain rate of discount which may be applied to such published or listed prices, and such published or listed prices, subject to deduction of the amount of discount according to such rate, shall be deemed and taken to be the fair market values of any such manufactures or productions respectively as are specified in such Order in Council.

Is it the intention that the Governor in Council, under that materially revised section, shall or may ignore or annihilate the new Tariff Bill that we understand is coming to this Parliament? In other words, in the case of automobiles or any other commodities can he determine on such a discount as would make ineffective the increase that is now proposed in the new tariff? I should like to ask my honourable friend whether that can be done.

Hon. Mr. ROBERTSON.

Hon. Mr. ROBERTSON: Honourable gentlemen, I think we are departing somewhat from the usual practice of this House on the second reading of a Bill, and we have practically gotten ourselves into the committee stage without moving the House into Committee. Therefore, if we follow this course, we may not need to refer the Bill to the Committee.

Hon. Mr. BUREAU: An answer given now might render unnecessary the committee stage.

Hon. Mr. ROBERTSON: Yes. My honourable friend suggests that under section 2 of the Bill it might be possible for the Government so to act that the protection afforded by the tariff might be wholly eliminated. There are several methods by which that provision may be administered, because it may be a manufacturer or a producer that is importing, or it may be a person acting on his behalf. That simply means that the value of goods shipped on consignment, and having no owner in this country, may be fixed in anticipation of a change in conditions or prices. If it is expected that prices are going to rise, the Minister of Finance, through the Minister of National Revenue, may recommend that action be taken under that clause for the protection of the industry in Canada. The section has no ulterior meaning and does not materially change the existing legislation except, perhaps, to extend the powers when unprecedented and unusual circumstances warrant.

Hon. Mr. MURDOCK: The original section says, "If any difficulty arises." The one before us does not propose looking for difficulty, but assumes the right to determine the rate of discount in any case where the Governor in Council desires. I am whole-heartedly in sympathy with an honest-to-goodness measure that will really prevent dumping; but in this, if I read it correctly—and I hope I am not too suspicious—I see the opportunity for the Government of the day to make friends at will by setting a tariff rate on any commodity or any article, from time to time, as the exigencies in their judgment seem to require. If that is not permitted under the section I certainly want to be put right.

Hon. Mr. ROBERTSON: If the law is positive and gives to the Minister, or the Governor in Council on the recommendation of the Minister, the power to determine, then it must necessarily follow that difficulties will not arise and that there will be no difficulty in determining the fair market value. Apparently the question was open to dispute

in the past, and if difficulty arose certain things would occur. The section as now proposed reads:

In determining the fair market value for duty of goods imported into Canada, the prices of which are published or listed by the manufacturers—

—and so on. I do not think there is anything which justifies suspicion.

Hon. Mr. LEWIS: The remarks that I have to make should perhaps come at the committee stage, but they will take only a few minutes. The Minister of Labour has said that under these laws protection is given to the consumer against exploitation. From that remark, though I did not suppose he so intended it, it might be assumed that there was such a provision in the Bill now before us.

Hon. Mr. ROBERTSON: It is in the next Bill.

Hon. Mr. LEWIS: There is no such provision in this Bill, and the provision in the Customs Tariff is no protection against exploitation under this Bill, but simply emphasizes the necessity for including in this Bill a similar provision.

The motion was agreed to, and the Bill was read the second time.

THIRD READING POSTPONED

Hon. Mr. ROBERTSON moved the third reading of the Bill.

Hon. Mr. DANDURAND: I have no amendment to offer, and if no other member of the Chamber has an amendment in view, we can well dispense with the committee stage. I make this statement because my honourable friends around me may not have noticed that we were passing over the committee stage.

Hon. Mr. WILLOUGHBY: If nobody on this side of the House is anxious to discuss the Bill in Committee, it is not necessary to go into Committee.

Hon. E. D. SMITH: Honourable members, I just wish to take this opportunity of congratulating the Government on the prompt and effective manner in which it responded to the applications of the fruit growers. Nearly four years ago the fruit growers appeared before the Tariff Board. They were heard no less than four times. No new evidence was produced that affected the result, but the decision was delayed from year to year, at least three years longer than was necessary. That indicates the difference

between the action that may be taken under the dumping clause, which is prompt, and the action brought about by the Tariff Board. At last, just before the election, the Tariff Board recommended some very small additional protection to the fruit growers, which was passed. But three years had elapsed, and the fruit growers had lost thousands of dollars by reason of the fact that our markets were thrown open to the fruit produced on the other side of the line at a time when there was plenty of Canadian fruit to be put upon the market. When the present Government came into power it immediately applied a remedy that was effective and prompt, as a result of which the fruit growers procured markets that had not been available for many years. Immediately the duties were added, a demand sprang up in the Western Provinces for the fruit produced in the Niagara district, and a great many carloads of that fruit were sent forward within the next two weeks. To satisfy our Western friends, and to nail down the lies that were spread abroad in some of the towns in the West, to the effect that the price had been advanced, I can say truthfully and honestly and firmly that the price was not advanced. On the other hand, it was gradually reduced. We had a very large crop, and the selling price was fixed, as it always is, by the law of supply and demand. The price was never advanced one cent so far as I know. I have been engaged in the shipping of fruit all my life, and ship now in large quantities, and I know pretty well what all the shippers are doing, because there is constant and severe competition among them. The stories that the price was advanced were no doubt circulated by dealers who wanted to take advantage of the opportunity to make a larger profit. The shippers from the East never will advance the price on account of the duty, if they have a sufficient supply for the demand of the country.

The effective result of what the Government did shows the necessity of legislation to admit of prompt action. We had a case last year that illustrates this necessity. The duty on grapes was 2 cents a pound. Some of the wine manufacturers discovered that under the Act they could bring in grape juice at an ad valorem duty of about 27½ per cent, which was equivalent to half a cent a pound on fresh grapes. Before any action could be taken, the concentrated juice from California was brought in to an amount equivalent to 5,000 tons of grapes. The wine makers filled up their receptacles, and this year are buying at a very much reduced price, which I do not believe would have been the case had it not been that grape juice was brought in last fall.

The reason why grapes should not be allowed to come in at such low rates is that in California, within the past few years, production has been increased to such an extent that the Government, through the Land Board, last year prohibited the growers from allowing the surplus grapes to decay on the vines, and by legislation forced them to sell their crops in some form or other. This surplus was concentrated in grape juice, and was sold wherever it could be sold. This year the United States Government has changed its course, and instead of compelling the growers to sell their grapes it has, through the Land Board, bought thousands of acres of grapes at \$9 a ton, to be left on the vines to rot, in order that the price may be maintained. If the late Government had not changed its policy just before the present Government came into power, we should have suffered by reason of the placing upon our market of grapes that would otherwise have been burned or destroyed. That would have depressed the price of grapes in this country to such an extent that it would not have been profitable to grow them at all. So it seems to me that the ability of the Governor in Council to act promptly in an emergency is of enormous importance, and I am very glad to congratulate the Government and the fruit growers upon the effective redress that they have secured.

Hon. Mr. ROBERTSON: I move the third reading of this Bill, but in case some honourable members should desire to make further observations to-morrow I would suggest that the third reading be postponed until then.

Hon. Mr. BUREAU: As a matter of procedure, can there be a debate on the third reading if there is no motion to refer the Bill back to Committee with instructions to insert an amendment?

The Hon. the SPEAKER: There can be a debate on the third reading of a Bill as well as on the second reading.

Hon. Mr. BUREAU: Without an amendment?

The Hon. the SPEAKER: Without an amendment.

Hon. Mr. ROBERTSON: I move that the Bill be placed on the Order Paper for third reading to-morrow.

The motion was agreed to.

The Senate adjourned until to-morrow at 3 p.m.

Hon. Mr. SMITH.

THE SENATE

Friday, September 19, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

CUSTOMS ACT AMENDMENT BILL

THIRD READING

Hon. G. D. ROBERTSON moved the third reading of Bill 3, an Act to amend the Customs Act.

Hon. L. C. WEBSTER: Honourable senators, I had not intended to speak on the Bills that we are dealing with at this time, but I feel more or less compelled to offer a few remarks after listening to some of those that have been made here. The arguments that have been put forward here and in another place on the subject of free trade and protection are as old as the Laurentian Hills that look upon the city of Ottawa. My opinions have not been changed by anything that has been said during this session, and I do not expect that anything I say will change the opinions of any honourable senators. The Right Hon. Walter Runciman, who is well known here because of his standing and his views, is one of the prominent men who have been quoted with reference to the advantages of free trade, but one gentleman who seemed to be overlooked was the late Mr. Disraeli, who some time about the middle of the last century stated that protection was both dead and damned.

Right Hon. Mr. GRAHAM: That sounds emphatic.

Hon. Mr. WEBSTER: That statement of his is a matter of history. I should like to draw the attention of honourable senators to the protectionist aspect, especially in relation to conditions now existing. Evidence of one of the most surprising changes that have taken place in modern times in regard to fiscal matters was given at a session of the Trades Union Congress in London. The following statement appears in an article in the Saturday Evening Post:

For years the Trades Union Congress—it corresponds to the American Federation of Labour and is both backbone and cash register of the Labour Party—stood unalterably for the Cobden idea of free trade and especially free food imports. In June the economic committee of the general council of the congress formulated a series of resolutions in connection with the meeting of the Imperial Conference. Much

to the dismay of the Labour Party and to the joy of the empire free trade protectionists, it declared flat-footedly for the new deal. Among other things, the committee made the following pronouncement:

"The maintenance of close relations with the rest of the world does not prevent us from urging the creation of machinery and, if necessary, formal agreements with the dominions for further development of intercommonwealth trade and for the best possible distribution of economic activities within the British commonwealth."

Still more revolutionary, in the light of past Trades Union Congress history, was this clause:

"Every nation and in practice, if not in theory, every party has long since abandoned the notion of complete freedom of trade. In almost every aspect of economic life, regulation and conscious control of economic factors and forces is the accepted policy. It may or may not be desirable to hold up world-wide freedom of trade as an ultimate ideal, but it is not, and cannot be, a working aim in the immediate situation in the world to-day."

The second milepost in the movement for empire free trade was set up in the report of the British Preparatory Committee for the Imperial Conference. The committee was recruited from the Association of British Chambers of Commerce, the Federation of British Industries, and the Chamber of Shipping of the United Kingdom, and thus represented the organized commerce, industry and shipping of Great Britain and Northern Ireland. Its findings were summed up in a sentence which concluded, "that the most urgent necessity exists for increasing to the utmost the trade of the empire." This was based on the following more detailed statement:

"When it is realized that the British Empire has an area of 14,000,000 square miles of territory, occupied by 451,000,000 people, with vast supplies of the food and raw materials required by man and industry, it is clearly essential that, in order to take the fullest advantage of those great resources, some simple, coherent and universally accepted trade policy should be established.

"Such a policy must in the nature of things be designed and developed by people with expert knowledge of the trades and problems involved, and must have stability and continuity in order to maintain that confidence and security which is a vital condition to any form of trade.

"That the British Empire should operate as an economic unit has long been an ideal towards which many efforts have been made. That these efforts have not so far been fully successful is due fundamentally to the lack of proper machinery for the consideration of the many problems that arise, and for enabling proper and suitable action to be taken following the conclusions arrived at."

Perhaps even more significant than those two declarations was a manifesto issued as a result of a meeting of bankers and industrial leaders held at Hambros Bank, one of the greatest of Britain's international financial concerns. It was resolved:

That urgent measures for the promotion of inter-imperial trade are needed to secure and

extend the market for British products both at home and through the export trade.

Bitter experience has taught Great Britain that the hopes expressed four years ago in a plea for the removal of the restrictions upon European trade have failed to be realized. The restrictions have been materially increased, and the sale of surplus foreign products—

Mark the word "foreign."

—in the British market has steadily grown.

While we retain the hope of an ultimate extension of the area of free trade throughout the world, we believe that the immediate step for securing and extending the market for British goods lies in reciprocal trade agreements between the nations constituting the British Empire.

As a condition of securing these agreements, Great Britain must retain her open market for all empire products, while being prepared to impose duties on all imports from all other countries.

What reinforced the historic importance of this declaration was the list of signatories. Heading it was Walter Whigham, director of the Bank of England. Even more epoch making was the inclusion of Reginald McKenna, Britain's foremost banker, chairman of the all-powerful Midland Bank, a giant among the big five joint stock banks and a banking world all its own. McKenna has been for years a die-hard Liberal and therefore an uncompromising free trader. His alliance with this group gave the whole of Britain something to ponder over.

Other signers were Sir Harold Snaggs, director of Barclays Bank; E. R. Peacock, a director of Baring Brothers, and a former director of the Bank of England—

—a Canadian of whom we are all justly proud—

—R. H. Tennant, chairman of the Westminster Bank; Sir Harry Goschen, chairman of the National Provincial and Union Bank; Beaumont Pease, chairman of Lloyds Bank; Vivian Hugh Smith, a partner in the London house of Morgan; Lord Ashfield, director of the Midland Bank and head of the London omnibus and underground system.

Honourable members, I ask you to consider not only the arguments that were so ably presented yesterday on behalf of free trade, but also the other side of the question. What do we see even in to-day's paper? There was held in London a meeting to which were invited the principal citizens, including many of the best known industrialists and financiers of England. The purpose of the meeting was to replace out-of-date party economic theories with practical common sense. I commend that to honourable senators.

Mention has been made of the times of Cobden. Certainly Cobden's thought on trade was all right for the age in which he lived. It was based on the theory that each nation produced the different kinds of goods that it was best able to produce, and that there would be a fair and honourable exchange

of goods between nations. It is not necessary for me to say that such a scheme as his would be entirely out of place and impossible of realization in this day of mass production. What has happened? High tariff walls have been erected in every country of the world with the exception of Canada. Some people in Canada claim that this country should be given credit for the fact that our tariff walls have been lowered instead of being made higher. Competition, rather than Cobden's theory of co-operation, is the order of the day. Great Britain turns out to-day practically the same kinds of articles as are turned out by France, Germany and other countries. Ship-building, the manufacture of steel and cotton, and other industries are flourishing as greatly in those foreign countries as they are in Great Britain. At one time Great Britain built ships and manufactured goods, and then loaded the ships with those goods and sent them out to be sold in foreign lands. Even the ships were sold. This gave employment to the people of Great Britain. Then Britain would lend money to the countries who had bought her ships and products, in order that they might reimburse her for the money she had expended in manufacture and trade. But a great change has come over the world since the days of Cobden.

I admit that Canada has not followed a full free trade policy, and perhaps this has been to the benefit of Canada. That it is a fact is not due to the people in this country who can see only one side of the question and who think that an era of prosperity can be ushered in when our doors are opened to goods that can be manufactured more cheaply elsewhere by underpaid labour and under less favourable living conditions than prevail in this country.

Honourable gentlemen, let us try out the plan that has now been suggested to us, which will give us some measure of adequate protection. The Government has submitted proposals which it thinks are in the best interest of Canada. I think you will agree with me that if we have ever had a courageous Government we have one at the present time.

I feel sure that the Government has it in mind to protect not only the industries, but also the farmers, who are the backbone of this country. The East is affected by any depression that may take place in the West. The interests of our farmers in the eastern provinces are akin to those of our western farmers. I would suggest to our Government that some form of subsidy might be granted to British-

Hon. Mr. WEBSTER.

owned steamers carrying grain from our shores to Great Britain or elsewhere, and that those same steamers could be economically and profitably employed in carrying British anthracite coal to the Dominion of Canada.

An Hon. SENATOR: Steam coal?

Hon. Mr. WEBSTER: Yes. That coal would not come into conflict with our Canadian mines. I am sure that Lord Melchett and other great British leaders would be only too glad to meet our Ministers at the Imperial Conference in London, and I am satisfied that some such plan can be worked out to the advantage of Canada.

I am pleased to know that our labouring people have not been forgotten and that provision is made for them in the Bills that we are passing. I know that work and not charity will be the Government's object. I am not afraid of the spending of \$20,000,000 for the purpose intended in the Bill now before us. Indeed, I should be quite in favour of that amount being increased if an increase were deemed necessary in order to stop unemployment in this country and to maintain Canada's industrial and farming position in the world.

We do not want in this country a repetition of the problem of unemployment as it prevails in England, where to-day there are about 2,000,000 idle people—the largest number since 1922; and if the present policies in England are continued, the number may reach 2,500,000. Idleness has cost Great Britain the enormous sum of over \$3,000,000,000, including the cost of administering relief. More than 200,000 miners are to-day out of jobs in the mining district of Great Britain, and they will be without employment for the rest of their lives unless some other work is found for them. It is not necessary here to enter into a discussion of the causes for these conditions, or to discuss further the amount that is being paid in Great Britain to-day for doles to the unemployed. May I say that taxes are going up, and must continue to go up by reason of these conditions in the homeland. I know from personal experience and from the experience of companies with which I am associated that money is being sent from Great Britain and elsewhere, because investors are not satisfied with present conditions in the Old Country, nor do they think the future offers any promise.

Idleness will always breed more idleness. Some years ago it was suggested that we subsidize work rather than idleness, and that is what I understand our Government in Canada purposes doing. With work, whether

subsidized or not, every section in Canada should prosper; the farmers, the industries, the railways, the banks and all should be more prosperous than they have been. Let us hope that capital, labour and brains may together work out this serious problem, which I feel is only temporary. There need be no fear for the future of Canada if good-will is shown in all parts of our Dominion.

Hon. GEORGE GORDON: Honourable members, yesterday in the course of his remarks the right honourable member for Eganville (Right Hon. Mr. Graham) suggested that owing to the tariff structure being so complicated, great study should be given to it before any change of consequence was made. I agree with that in the main, but many items in the tariff are quite simple, and after the promises which the Government gave, and the mandate it obtained, it would be unworthy of us to leave such tariff items any longer in their present position.

My honourable friend from Brandon (Hon. Mr. Forke) intensified my impression, which I have held for a long while, that he believes in absolute free trade.

Hon. Mr. FORKE: When it is practicable.

Hon. Mr. GORDON: When practicable? I subscribe to that policy. I think that if there were any possibility of having free trade amongst the nations it would be a good thing; but as we cannot get it, I believe in what I would call fair trade. Here we are living alongside of one of the greatest nations in the world, and while its tariff has been going up, ours has either been stationary or has been going down, particularly on agricultural products. I do not see how my honourable friend from Brandon can for a moment believe that it is a right and proper thing for us to struggle on as we were doing, with a duty of 40 cents against wheat going into the United States, while on wheat coming into Canada we had a protection of only 12 cents. I suppose my honourable friend already knows that last year, when we had a surplus of wheat, which included what we carried over from the year before, we imported into Canada 3,700,000 bushels of wheat.

Hon. Mr. BELCOURT: Where from?

Hon. Mr. GORDON: From the United States; and we exported to the United States 33,000 bushels. Now, is that fair? Is that what you call free trade? To my mind, free trade would be secured by a levelling process, bringing our duty on wheat up to the same rate as the United States have imposed on ours.

Hon. Mr. BUREAU: What would the honourable gentleman think of cutting off the duty on both sides?

Hon. Mr. GORDON: It would be all right. As my honourable friend from Brandon knows, Canada imported oats from the United States last year, when we had a large quantity of them, to the value of about \$1,800,000.

Hon. Mr. FORKE: The oat crop was a failure in Canada last year.

Hon. Mr. GORDON: We had oats to spare last year.

Hon. Mr. FORKE: It would have cost a good deal more money to have brought them from Ontario into Western Canada. They were bought in the cheapest market.

Hon. Mr. GORDON: I think we should immediately make tariff adjustments to put our people in a fair position to compete with those of the United States and all other countries. I find that we spent last year approximately \$80,000,000 on the import of goods such as are produced by our farmers and fruit growers. For example, we imported \$14,000,000 worth of corn and \$14,000,000 worth of butter. Why should we not have produced these things in Canada? If we cannot produce all the corn and butter we require for our own use, we should go short of these things. Another thing we imported, although on a comparatively small scale, was hay. Hay is grown in every county in the Dominion; yet we brought in from the United States last year some 5,380 tons, on which we collected duty at the rate of \$2 a ton; but if a Canadian had wished to send a ton of hay to the United States he would have had to pay a duty of \$4 on it. I do not know whether my honourable friend (Hon. Mr. Forke) calls that free trade, but I do not call it even fair trade. To my mind, if it were fair trade the duty would be as high here as it is in the United States; if their tariff were \$4 a ton, ours would be \$4 a ton, and if they brought theirs down to \$2 a ton we could do the same.

Hon. Mr. COPP: That would be a countervailing duty.

Hon. Mr. GORDON: Oh, countervailing duties are a joke.

Hon. Mr. GILLIS: What about cut flowers last year?

Hon. Mr. GORDON: I think we imported about \$250,000 worth last year; because we cannot grow flowers in Canada, I suppose. I have in my hand a statement showing in

round figures the values of goods brought into this country from the United States in the fiscal year ending March 31, 1930, in competition with goods produced by our farmers and fruit growers. The figures are: Fresh fruits, \$7,399,000; canned and preserved fruits, \$1,586,000; fresh vegetables, \$11,006,000; grain and its products—I want my honourable friend from Brandon (Hon. Mr. Forke) to notice this—\$23,673,000; hops, \$2,802,000; seeds—most of which, I presume, were clover seeds, which can be successfully grown in Canada—\$5,061,000; meats, \$7,599,000; milk and its products, \$15,215,000; grease—if you please—for soap and harness purposes, \$1,321,000; lard, \$156,000; eggs, \$1,229,000; sausage casings, \$1,547,000; a total of \$78,592,000. Every dollar's worth of those goods could have been produced right in our own country, and our money would have been spent at home; and that is what would have happened if our duties had been as high as those imposed by the United States.

Hon. Mr. BELAND: I am sorry to have to disagree with my honourable friend in regard to vegetables. Vegetables are a very important article of food, yet we cannot grow them in the months of December, January and February; therefore we are bound to import a certain quantity.

Hon. Mr. GORDON: There are times of the year when perhaps it is necessary to import some goods in these classes, but the bulk of the goods do not come in during our unproductive season. I think that strawberries and fruits of that kind are a rich man's food in the winter-time, when we have to import them.

Hon. Mr. BELAND: But not the vegetables.

Hon. Mr. GORDON: What vegetables do we require in the winter-time that we do not grow in Canada?

Hon. Mr. BELAND: If my honourable friend will visit the stores of Ottawa in the winter he will find they are selling a great variety of vegetables that are out of season in Canada.

Hon. Mr. GORDON: Would my honourable friend mention one such vegetable?

Hon. CAIRINE M. WILSON: What about spinach?

Hon. Mr. GORDON: That is a small item.

Hon. Mr. BELAND: What about carrots?

Hon. Mr. GORDON: We can grow carrots.

Hon. Mr. CASGRAIN: They keep all winter, anyway.

Hon. Mr. GORDON.

Hon. Mr. GORDON: Just as well as potatoes. I cannot understand how anyone who becomes a member of either House of Parliament can sit idly by while our farmers and fruit growers are being subjected to such unfair competition as they have had in the past few years. I think that when the other tariff Bill comes to us we shall find that the duties on some of the articles which I have mentioned are to be raised, and I hope that in the near future every item I have mentioned will be protected by higher duties.

Hon. W. A. BUCHANAN: Honourable senators, a good deal of freedom of discussion has been allowed to honourable members who have taken part in the debate on the two Bills which have been brought down for the relief of unemployment. I think the Government has a mandate from the people to attempt a solution of the unemployment by granting relief, such as is provided in the first Bill we passed, and also by making increases in the tariff. The policy of the Government was, I think, made quite clear during the recent election campaign; but I fear that many people who voted for the Government had no idea that it would go to such extremes as are indicated in the tariff increases, and overlook sections of the country that are badly handicapped and probably in a more depressed condition to-day than for many years. I do not want to discuss this legislation from a sectional standpoint; on the contrary, I should like to impress upon honourable members the importance of keeping a national outlook and avoiding the kind of friction and dissension that existed in certain sections a few years ago and has now almost, if not entirely, disappeared. I cannot help feeling that seeds of discontent, which may interfere with the harmonious unity of Canada in years to come, are being sown in consequence of the extreme measures that the Government has taken. I have no intention of preaching or encouraging that feeling in the section of the country from which I come, because I believe that as a Canadian I should spread the doctrine of national unity; but it is my duty, as a representative of the Western Provinces, to warn this honourable body of the sentiment which I feel will develop in the West as a result of this legislation.

I think we can correctly say that up to this year Canada was in a prosperous condition; that our industries, as a whole, were thriving. Consider the agricultural implements industry, for example. Until this year it was in a healthy state, employing labour freely, and its stocks were increasing in value, because

the classes to which it catered were in a position to buy implements. If that industry is crippled to-day, it is because the purchasing power of the agricultural classes has been greatly weakened. I do not think the agricultural implements industry will be greatly benefited by tariff increases. What is needed to put that industry back into its formerly prosperous condition is a restoration of the purchasing power of those classes of our people who need implements. The farmers will not be able to spend freely until there is an increase in the prices of their products, and there is not a very good prospect for such increases this year nor probably for some years to come. It seems to me that it is a mistake to flaunt increases in the agricultural implements tariff in the faces of farmers of the West who are receiving extremely low prices for their products, and who probably will undergo greater hardships this winter than they have experienced in many years. I am afraid those farmers will interpret the new tariff as indicating that the Government has no sympathy with them at the present time.

We are told that manufacturers who are to receive the benefits of higher protection will not increase the prices of their products. But our experiences in the West have been such that we cannot place much hope in promises of that kind. It may be that prices will not go up immediately, but they are bound to rise later on. During the years that I have been coming to Ottawa and travelling through other parts of Eastern Canada, I have found that the invariable question in the spring is, "What are the crop prospects in Western Canada?" Businessmen, bankers and railroad officials are keenly interested in the state of agriculture in the West, because they know that the success of industry as a whole in Canada depends largely on the success of Western crops. I am not and never have been an advocate of absolute free trade for Canada; I always have felt that industry in the eastern part of this country needed a certain amount of protection, and for that reason I have attempted to take a middle-of-the-road course. As I have already stated, my thought has been that what we need above everything else in this country is a strong national sentiment, so that different sections will understand the needs of, and cooperate with, one another. It is on that account that I so deeply regret the bringing down of measures that are likely to result in increasing discontent in some parts of the West, and in reintroducing discord and agitation.

The Government has said that its policy is a Canada First policy, framed with the object of relieving unemployment and assisting industry all over the Dominion. But that policy, as expressed in the tariff, will not benefit industry in Western Canada. Why is it that the coal industry, which is highly important in Alberta and British Columbia, is not granted some relief under the tariff, with a view of giving employment to tens of thousands of miners who are out of work because there is no market for the products of the mines? If the consumers of the West are to be forced to purchase the products of textile industries of the East, why not force the people of the East to use Western coal? Of course, I admit it would be ridiculous to use the tariff as a means of compelling people in Eastern Canada to use coal mined in Alberta and British Columbia, but that would be as reasonable as the compulsion that is being applied to consumers of textiles and other products. And what consideration has been given to the men who are raising sheep throughout the length and breadth of Canada? Is any effort being made to force the woollen industries to use the wool from Canadian sheep? If so, I have not noticed it.

In confining its measures of relief to certain industries and sections of the country, the Government is encouraging the feeling that it has a sectional rather than a national outlook. I feel that the Government should have done everything possible to increase unity and harmony in this country. I am not an advocate of the extreme views of Western Canada, neither am I in sympathy with the extreme views of Eastern Canada. I like to take, as I have already said, a middle-of-the-road course, which I believe will be in accord with the views of all fair-minded people in every section of our country.

Hon. J. P. B. CASGRAIN: I merely want to register a protest, because people who have examined the tariff schedule tell me that it will be of very little help to the steel and coal industry of Nova Scotia. I understand that the duty on iron is to be 50 cents a ton. What is the use of that, when iron can be manufactured in Belgium and Germany \$6 and \$7 a ton cheaper than in Nova Scotia? I have in mind what happened to the British Empire Steel Corporation, in which so much money was sunk, and which has been superseded by the Dominion Coal and Steel Company. I suppose that the original stockholders—I am sorry to say I was one of them—will not get any more than eight or nine cents on the dollar for the money they put in. I do

not know whether honourable members realize that some six or seven years ago the huge sum of \$127,000,000 was invested in that enterprise, and that no interest or dividend has been paid. If the interest were computed at but a moderate rate, it would amount to a large sum. But no tariff changes have been made with a view to improving that situation, and I am surprised that honourable members from Nova Scotia on both sides of this House have not risen in protest. I am not speaking in my own interest now, because my investment, in common with that of other honourable members, has been practically wiped out.

When I saw money being voted for bars, and for this and for that, I thought surely the Dominion Coal and Steel Company would get something out of it. It may interest the House to know that this company some few years ago, for the purpose of filling an order, actually imported bars from Belgium, and paid the duty on them, because the cost of importing them was less than it would have cost the company to manufacture. Under the Laurier regime that institution was protected. Hon. W. S. Fielding, Minister of Finance, who knew the conditions, gave bounties on manufactures of iron and steel and so on. When Sir Robert Borden came into power, he, the great apostle of protection, let those bounties drop, and the bottom went out of the whole business. Then the war came, and the company, like every other iron industry, at that time made some money. It could not do otherwise.

The bounties I have mentioned never cost the country one cent. I have before me the statement made by Mr. Fielding in the House of Commons, that during the time when bounties were paid, the customs duties, because of increased prosperity, amounted to \$16,000,000. The bounties amounted to some \$13,000,000 odd; so the Government actually made a profit.

What was the result of these bounties? Iron and steel products to the value of \$500,000,000 were manufactured, half of the cost of which was distributed in wages, and Canada got \$30 for every dollar paid in bounties. If that was not a good investment, I should like to hear of a better one.

Hon. Mr. McMEANS: What is the authority the honourable gentleman is reading from?

Hon. Mr. CASGRAIN: I am referring to Hansard of the Senate. So it is open to the honourable gentleman to read it for himself.

As I say, I am surprised that no honourable gentleman from Nova Scotia has protested. During the year 1928 the company

Hon. Mr. CASGRAIN.

was in the hands of the receiver. After operating at 97 per cent of its capacity, there was not a single dollar for the shareholders; just enough was made for maintenance, repairs and wages. Now, this company, which next to the Canadian Pacific Railway is the biggest in Canada, is getting no help from this tariff. I protest against that.

Hon. Mr. McMEANS: Did it get any help from the former Government?

Hon. Mr. CASGRAIN: It did from the Laurier Government.

Hon. Mr. McMEANS: The King Government?

Hon. Mr. CASGRAIN: No, but the Dunning Budget allowed a bonus of 49½ cents on coal which was converted into coke to make iron.

Hon. Mr. GORDON: How much did it get out of it?

Hon. Mr. CASGRAIN: Very little. That was to put the company on an even footing with the Steel Company of Canada, which operates near Hamilton. That company is benefiting by this tariff. Why should it benefit when every ton of coal that it uses is imported from the United States? Why should our money go to pay wages in that country instead of in Canada? That company imports the ore from the Mesaba Range on Lake Superior. Again the money goes to pay the wages of men on the other side of the line. Even the limestone used for the flux was imported until a couple of years ago. I understand that now a farm has been bought somewhere in this country and that some Canadian limestone is used.

Surely the Government ought to be grateful to the people of the Maritime Provinces. Did they not help to return it to power? The former Government did everything possible to please the Maritime Provinces. It reduced the railway rates so that a man could ship five carloads of goods for the price of four. The fifth car was free to the people of the Maritimes, while the people of Quebec and Ontario had to pay the piper. That cannot be denied. The former Government tried to implement the Duncan Report to the hilt, and what return did it get? One member, Peter Veniot, was elected in New Brunswick by a small majority.

While I am talking about New Brunswick, I may tell you that the honourable member from Montarville (Hon. Mr. Beaubien) went down there. The right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) knows very well that the people there

have always voted Liberal. But the honourable gentleman from Montarville went down there and turned the tide in northern counties, the French counties of that province. We are all familiar with his eloquence and force of expression. My neighbour to my right tells me that all the Conservative speeches made during the last election were simply a repetition of what the honourable gentleman from Montarville has said in this House. He can deny it if he dares. He told me so himself. What was his song all over the countryside? He told me that he spoke for an hour and a half at each place. His song was this: "Do you want to work for three days a week or six days a week? It is up to you. If you want to work six days a week vote for Bennett; if you want to work three days a week vote for King."

Hon. Mr. TANNER: Give us some of your songs about race and religion.

Hon. Mr. CASGRAIN: The honourable gentleman can make his own speech.

So our honourable friend went about from county to county. I think his ancestors came from that part of the country and that must have appealed to the people, because as a rule they do not like strangers. He reversed the situation in four or five counties that had been in the Liberal line. We were so sure of them that we never sent anyone down there—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: —and Peter Veniot was the only member returned. Now, I am going to make a proposition to the honourable gentleman.

Hon. Mr. POIRIER: Honourable members, I protest against three-quarters of what my honourable friend has said.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BELAND: The honourable gentleman will still have twenty-five per cent protection.

Hon. Mr. CASGRAIN: I do not want to have any family quarrel. The honourable gentleman can protest one hundred per cent if he likes. It will make no difference to me.

Now I am going to make a proposition to the honourable gentleman from Montarville. His argument was this: "We are importing from England and the United States half the cotton that we are using in Canada." Now, if it takes us three days to make the other half, it would take us six days to make it all, would it not? My proposition to the honourable gentleman is this. If he will make a

motion to keep out English and United States cotton, so that we shall have work six days a week, I will second it. Will he do it?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: If not, I will make him another proposition. If I move that the Government arrange, by any device it may choose, to keep out foreign cotton, will the honourable gentleman second the motion? Will he?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: Well, if he will not move it, and will not second it, I am afraid I shall have to say that he was not sincere in what he said to those good people, and that if they ever hear of this debate he will not be able to go down there again.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Now I come to the increased duties that the honourable gentleman from Lethbridge (Hon. Mr. Buchanan) was talking about a few minutes ago. Unless those duties have the effect of increasing the price of manufactured products in this country, what good is the increase to the manufacturers? We might as well remain as we are. If the manufacturers are going to sell at the old prices there is no use putting on the duty. I do not think anybody in this House believes that prices will not be increased. I believe the manufacturers will make use of the protection they are getting, and will raise their prices—and I do not blame them for it, either—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: —because conditions are not too prosperous, and everybody likes to make an honest dollar when he can.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Now, I would commend to honourable members a wonderful article by Charles E. Sibley that appears in Maclean's Magazine of September 15. I have read it twice. It is on Canada and the Imperial Conference, and the very subject that we are talking about now. The three great provinces of the Northwest are not having their own way now as they did for the last nine years, and I am not sorry.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Everyone has his turn. Now they will have less to say, and I am not sorry. They will have to pay their share of the duties that are put on agricultural implements and other products of that charac-

ter. If honourable gentlemen read this article to which I have referred they will come to the conclusion that there is only one solution for our troubles. I have advocated it in the House over and over again, and some honourable gentlemen have called me an Imperialist. Well, let them. I may not live long enough to see it, but I dream of the day when there will be a truly Imperial Parliament, sitting somewhere in the British Empire, for the purpose of dealing with international affairs. It will not be like the Imperial Conference, which has no authority. When the Prime Minister and the Minister of Justice came back from the Conference of 1926 we were told that we had a Magna Charta, that everything was changed, that we were an independent state on a parity with England, and could declare war if we wished. About that time it was my good fortune to meet at luncheon in Montreal Mr. Bruce, then Prime Minister of Australia. I asked him if there was any change in the constitution. He said: "None whatever. We are just as we were before. Anybody who attends those conferences carries away just what suits him." So the meetings of the Imperial Conference are just about as useful as the meetings of the League of Nations.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: They are on a par. What would you think of a court without a sheriff, or of a sheriff without police? If we were to adopt the principles of the League of Nations, we should withdraw the police from the streets of the city of Montreal and trust to everybody's good faith. I do not believe that the world is good enough for that yet. If you want to read about the League of Nations you can go to the Library and get the work of l'Abbé Saint-Pierre. There are sixteen volumes of it. I think the honourable gentleman from Montarville has it now. The Right Hon. Charles J. Doherty told me that in the seventeenth century a man in France—

Hon. Mr. GORDON: I would suggest to my honourable friend that he could learn a great deal about the League of Nations from the honourable gentleman from De Lorimier (Hon. Mr. Dandurand).

Hon. Mr. CASGRAIN: The honourable gentleman has put me off the track. He was talking about vegetables in winter. I should like to know whether, when he was a boy, anybody brought in vegetables from the United States in the winter.

Hon. Mr. GORDON: No.

Hon. Mr. CASGRAIN.

Hon. Mr. CASGRAIN: Well, there you are.

Hon. Mr. WEBSTER: What about the Right Hon. C. J. Doherty?

Hon. Mr. CASGRAIN: He said that this man had composed a treatise on the League of Nations. It was not l'Abbé Saint-Pierre, but another man. So the League of Nations has not even the virtue of being new. The Chinese had a League of Nations 2,800 years before Christ. There is nothing new about the League; it is very stale. But when people have nothing to do they must invent something to do.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Right Hon. C. J. Doherty told me that this man from France had projected a nice league, and he went to some cardinal of the time—in those days the cardinal was somewhat like a Prime Minister—and he said: "Your Eminence, will you kindly look at this? It is going to bring about perpetual peace." So the book was left with His Eminence, and five or six weeks afterwards this man came back, and His Eminence said: "I have gone through your book. It is perfect. I would not add a word to it nor take a word from it. But this is not for men, it is for angels." That is the League of Nations.

Now, \$20,000,000 is going to be voted to provide employment. Supposing that there are 200,000 unemployed, that amount would give them the large sum of \$100 apiece. They will not go far on that. And, mind you, that is on the supposition that the money all goes into wages. But there has to be some material to work with, and the cost of it will be probably 50 per cent of the total. So the Government, in its generosity, is giving the grand sum of \$50 a head to the unemployed. With coal and food at present prices, what will that amount to?

Hon. Mr. McMEANS: The honourable gentleman had better increase it.

Hon. Mr. CASGRAIN: I should like to do so.

I apologize to the House for these rather disconnected remarks, and thank honourable members for their patience in listening to me.

Hon. Mr. BELAND: My honourable friend was going to suggest a remedy for the present situation. I think he has omitted that.

Hon. Mr. CASGRAIN: A remedy? If I could suggest a remedy I should be taken into the present Government, because it has no remedy itself.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I may be excused if I trespass on the patience of the House for just a few moments. I think that I may contend that I have been pulled and dragged and pitched into the battle. I am always interested and many times amused by the speeches of my honourable friend who sits opposite (Hon. Mr. Casgrain). In the present instance I should be also grateful for the advertisement he has given me, which goes much beyond my merits. But for the speech of my honourable friend, and for the speech that preceded it, there is a reason. The notes which they both sound may be discordant, but the motive for both is the same.

It appeared strange indeed that the measures propounded during the whole of the recent campaign by the chief of the Conservative party should be so rapidly put into execution by Parliament. It was interesting to ascertain what the attitude of the Opposition would be. I think everybody in Canada was watching and was anxious to see how the Opposition would react to such a performance. Why? The Conservative party went to the country and said, "Most of the ills that are visited upon us to-day are due to the policy inaugurated by our opponents and maintained by the Liberal party." Perhaps it would be truer to say that they were due to the firm hand of the farmers of the West driving the Liberal party. We have not forgotten the words used by the Right Hon. Mackenzie King in 1926, when he went throughout the land clamoring for freedom. Do my honourable friends on the other side of the House remember that? Freedom from what? Freedom from the pressure that came from one-tenth—let us say one-fifth—of the population of this country, the only section specially situated, selling their goods throughout the world, and wanting no protection. Evidently they ignored the fact that the other four-fifths could not live without it, and time and again the old administration had to bend its head humbly and at their command strike a row of bricks off the tariff wall, thereby throwing into idleness and even into exile tens of thousands of honest Canadian workers. The Liberals have gone down to a very humiliating defeat. I do not want to insist on that. The worst of it all is that they have gone down with a record that history will never forget. They have the unenviable

record of having forced more people out of this country than any preceding administration.

What is the attitude of the Liberal party now? Strange, very strange. On the one hand our opponents say, "At this special session called to deal with an emergency you have no mandate at all to raise the tariff." That is one attack directed against the Conservative party. What is the other one? The other one is: "How dare you come to this House with an incomplete tariff?" My honourable friend from de Lanaudière (Hon. Mr. Casgrain) says: "What have you done? Why is there no protection for steel?" My hon. friend from Lethbridge (Hon. Mr. Buchanan) asks, "Why no protection for wool?" And the chief of the Liberal party exclaims with indignation, "How dare you make such a momentous alteration in the tariff?"

Honourable members, it has been made very clear to Parliament and the country that everything that could be done in an emergency is now being done. The tariff is incomplete, no doubt, but it will be completed at the next session. Why are our honourable friends so impatient? Why should the honourable gentleman from Lethbridge (Hon. Mr. Buchanan) accuse this Government, which is hardly in the saddle, of not having rescued the woolen industry of this country? I could hardly believe my ears. Why, the old administration has practically killed that industry in the country. You know it. For year after year that industry has been heard clamoring for protection, showing that it was fighting desperately to remain in existence. For ten years it has been asking for what is due to it, a reasonable measure of protection. And what has it got? Nothing but successive tariff reductions. And now the honourable gentleman from Lethbridge (Hon. Mr. Buchanan) says, "You have nothing for the wool-growers," and he has no patience with us at all. No Government ever implemented so punctually, so thoroughly, or with so much courage, the promises made during an election. That cannot be denied. But because those promises have not yet been completely implemented, our opponents are not willing to wait. What is the reason for this extraordinary attitude of the Opposition? It is this. The old Government was driven on its course by one consideration that dominated all others.

An Hon. SENATOR: Power.

Hon. Mr. BEAUBIEN: Oh, I will not say that. It was political expediency; that is what I call it.

Hon. Mr. BUREAU: That is a bad name.

Hon. Mr. BEAUBIEN: Its first duty was to itself, and if perchance it could, besides serving its political fortunes, do something for the country, it would. That is true, and cannot be denied. Otherwise it is impossible to explain why intelligent men, men of talent, men of vast experience, would allow the country to go through so many hardships during the last nine years without adopting measures so glaringly, so urgently required for its welfare. Taking the record of the Liberal party in the last nine years, you cannot explain it except by the fact that they considered it was first bound by its paramount duty to itself. First, it had to stay in office. It had utterly forgotten the inspiring lesson which the Conservative party gave it in the olden days. In 1896 the Conservative party, under the leadership of Sir Charles Tupper, went to certain defeat—why? Because it had a duty to perform, and it did it. The Liberal party stayed in power for nine years, and all that time it knew that many industries of this country were suffering.

Hon. Mr. RANKIN: They were prospering.

Hon. Mr. BEAUBIEN: No, they were dying.

Hon. Mr. LACASSE: Which were dying?

Hon. Mr. BEAUBIEN: The cotton industry was suffering badly, and the woollens were dying.

Hon. Mr. LACASSE: With reference to wool and cotton dyeing, this House is fully aware of the colour my honourable friend prefers.

Hon. Mr. BUREAU: Cottons began to suffer when you came back to power.

Hon. Mr. BEAUBIEN: During these nine years the Liberal party did nothing—it dared not do anything—to save or help these industries. But it remained in power. It did so through political expediency, and now it is actuated by political expediency again. It lost the West, and now it wants to get back its Western clientèle; it is pleading for its Western clientèle. But, notwithstanding its appeal to sectionalism, the fiscal unity of this country will be accomplished. In ten years from now, if conditions such as we can foresee should prevail, our exporters of wheat from the West will have formidable rivals. The farmers will have to turn to general farming and therefore to their home market. They will require manufactures and large centres of population.

Hon. Mr. BEAUBIEN.

When that comes to pass, everyone in this country will require and desire, and will obtain without trouble, a reasonable amount of protection. The time will have passed when a small section of the country could exact free trade against the vital interests of the whole. The Liberals should foresee this inevitable change and act accordingly. But they can only think of the immediate advantage of getting back their Western clientèle, and so they point an accusing finger at us and say, "The cost of living will go up; the people will be exploited for the benefit of the manufacturers; the consumer will be sacrificed to the producer"—as if we were not all producers as well as consumers.

The lesson of the last election should be better understood. In time it does not pay to pit the sentiment of one locality against the sentiment of another, and particularly against that of the entire country. The Liberals should know that. They have catered exclusively to the West, and with what result? Have we not a clear mandate from the West, as well as from the East, for protection? Why should the Liberal party adopt again a policy aiming to create a cleavage between the East and the West? Is it not hard enough to administer the affairs of this country? Has it not difficulties great and numerous enough to solve? Surely now is the time for the Liberal party to cast aside its old policy, which was all for the West, because the West was its master. It is free now, and it has everything to gain by remaining so. At all events, it should now give the Government, freshly elected, some reasonable measure of time and liberty to carry out the program that it has preached from East to West and is now endeavouring conscientiously to convert into proper legislation.

Hon. N. A. BELCOURT: Honourable members, I have no intention of discussing this Bill—or, for that matter, any other Bill that may be submitted to us—on the ground that has been taken by my honourable friend. I rise rather to ask him whether, in all conscience, he does not think it a very serious mistake to introduce into this House discussions on purely party matters. My honourable friend has spent the whole of his time, from the moment he rose until the moment he sat down, in rehashing all the political issues of the last campaign. Now, I have had occasion more than once to protest against party discussions in the Senate of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BELCOURT: I think I have a perfect right to claim that at no time have I myself, even to the slightest degree, indulged

in political party discussion here. I think every member of this House will agree with me that this is not the place for such discussions, and certainly this moment is not the time for it. On this side of the House—and I think the same thing may be said of the Opposition side in another place—the measures of government have been dealt with on their own merits. So far as I have been able to follow proceedings, there have not been in the other House any discussions from the party point of view. Certainly there have been none here. I think my honourable friend has made a mistake. I hope he will pardon me for saying so, but I am doing this in the very best spirit, and I think he will agree with me when he considers the matter. I refer to it not with the intention of finding fault, or for any purpose of that kind, but only because I think it the duty of some of us, whether on this side or the other, to protest against any discussion along party lines in this Chamber. Nothing will be gained by it. If some honourable member on this side of the House should be provoked into replying to my honourable friend, what might be the result? For one thing, it might delay the passing of legislation and thereby prevent what we all are striving to facilitate, the attendance of the Prime Minister and his colleagues at the Imperial and Economic Conferences. My honourable friend and I are now and always have been good friends, and I hope he will not think badly of me for what I have said. I have protested at this time, and on previous occasions when I considered it necessary, because I feel that those of us who have been members of this Chamber for many years should endeavour to make it clear that political discussions are out of place here. That is the rule, and I can say I have always tried strictly to observe it.

Hon. Mr. BEAUBIEN: If I am permitted, perhaps I should plead guilty to a certain extent—

Hon. Mr. McMEANS: Two dollars and costs.

Hon. Mr. BEAUBIEN: —at least, for expressing myself with a certain degree of heat; but perhaps I might offer by way of excuse the example of my honourable friend from Lethbridge (Hon. Mr. Buchanan), who opened the door pretty wide.

Hon. R. DANDURAND: I am not eager to enter into this discussion, which seems to be closing somewhat strenuously, but I should like to say that I do not think it is quite proper to accuse others of insincerity. I represented the late Government in this Chamber

for more than eight years, and I sat in Council with my colleagues. If the honourable gentleman from Montarville (Hon. Mr. Beaubien) desires to give credit to the Conservative party, on the ground that it has lived up to its principles, may I remind him that the Liberal party has always been true to a policy that tended towards a reduction in customs duties? I say "reduction," because that party has never advocated free trade. It has tried, rather, to keep the tariff at certain levels which would encourage freer trade than is possible under high protection. How can my honourable friend impute insincerity to a Liberal Government that lived up to the principles proclaimed at the convention of the Liberal party in 1919? The late Government during its nine years in office was largely successful, by the putting into force of Liberal principles, in its attempt to increase the prosperity of this country. Up to September, 1929, our industries were flourishing, as is well known to my honourable friend, who is deeply interested in many industrial concerns and keeps his eye on the stock market. I would remind him that during the last five years certain industries were so prosperous that their stock was quoted at a figure that would yield a return of hardly 3 per cent, although at par the rate would be 6 per cent or more. It was the very prosperity of industry in general that brought about the extraordinary incentive to speculation, and the good times that prevailed were reflected on the stock exchange in all classes of stocks—in cotton as well as other stocks. The large profits, dividends and reserves of those years all indicated that the then Government had successfully co-operated in the development of trade, not only domestic, but foreign as well.

Hon. Mr. CASGRAIN: It reduced duties.

Hon. Mr. DANDURAND: I shall not repeat what I said on the Address, but perhaps I may refer briefly to the remarks I made at that time. I pointed to the state of the country when the late Government came into power in 1921, and to its accomplishments during its term of office, and I asserted that if the election had been held in the summer of 1929, before the world-wide depression had extended to this country, that Government would have been returned. Honourable members on both sides of the House have admitted that unemployment and reduced business in Canada have resulted from an international situation, over which we had no control. What justification, then, can my honourable friend, or anyone else, have for saying that the late Government deliberately

sacrificed the interests of the country for the sake of remaining in office? May I remind my honourable friend that the late Government could have remained in power for practically a year and a half longer, had it so desired, but it dissolved Parliament and appealed to the people. The Government conscientiously believed that it had done the best it was possible to do. When I look back upon that Government's record during the last eight or nine years, I only hope that the present Government will be able to show similar results after four years.

My honourable friend from Montarville (Hon. Mr. Beaubien) has perhaps not been in attendance during these last days. We have passed a measure for the relief of unemployment, and the purpose of the one now at its last stage is to increase the powers of the Governor in Council with a view to reducing competition from abroad. We have acceded to these measures because we feel that the Government has a mandate from the people. We are to have presented for our consideration a Bill for increasing customs duties, and although honourable members on this side have expressed their objection to the principle, they will not oppose that Bill, because it is their desire not to thwart the apparent decision of the electorate. This is surely the first time in Canada that a tariff experiment has been made along such lines. The duties are being raised from 25 to 150 per cent higher than those now existing, and the Government contends that the cost of goods to the consumers will not be increased, because manufacturers have made a promise to that effect. I know of Conservatives who have said, "We are taking a big risk, but we shall see what comes of it." I fear that even if the manufacturers are sincere, conditions will arise within a few months, or certainly within a year or two, which will prevent them from keeping their promise. It goes without saying that if there is any appreciable increase in the cost of raw materials the consumer will bear the cost. And if there is no competition to keep the prices of manufactured articles within reasonable limits in this country, I wonder what will happen. The slightest pretext will be seized upon for the purpose of increasing profits.

Some years ago I was privileged to meet a number of important men of the financial world under the roof of the late Mr. Roosevelt, at Oyster Bay. There was also present a delegation of free traders—and fair traders—from the British Parliament. The question of protection having come up casually in con-

Hon. Mr. DANDURAND.

versation, an American gentleman stated that he sat as director on the boards of many industrial companies, and he felt somewhat uneasy because most of those companies could sell goods to the people of the United States at higher prices—as much as 25 per cent higher—than could be obtained in foreign markets. That was the result of protection, and he seemed to doubt that the people of his own country were getting a fair deal. I had already heard similar expressions of opinion from other sources. Well, the present Government has assumed the risk of raising a high tariff wall and trusting to the assurances of manufacturers. The proof of the pudding will be in the eating, and we on this side of the House shall wait and watch, hoping fervently that this country will not be injuriously affected by the new tariff policy.

Hon. G. D. ROBERTSON: Honourable senators, I wish to make a few remarks by way of closing the debate. I am indebted to my honourable friend opposite (Hon. Mr. Dandurand) for the generous feelings that he has expressed towards the new administration, which is attempting to improve conditions for our own people. The debate on the motion for the third reading of this Bill has brought forth a number of interesting and useful opinions. Certainly no one can say there is any stifling of free speech in the Senate of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I think that the attitude of my honourable friend opposite is a wise one. Well do I remember that the right honourable the ex-Prime Minister, when he became the head of Government in 1922, urged, and indeed pleaded with, Parliament not to criticize hastily the new administration. I remember that during the session of 1922 the Opposition purposely refrained from criticism; and in 1923 the then Prime Minister, having been in office more than a year, asked for continued freedom from criticism, on the ground that his experts had not yet completed their investigation into fiscal matters; and he promised that when the reports of the experts were presented the Government would formulate a definite fiscal policy. That policy was not announced until March, 1924, roughly two and a half years after the general election. I therefore feel, in the present instance, that if honourable gentlemen on the other side were inclined to be critical of the policies proposed by the new Government, they should remember what happened when the late Government took

office, and the treatment that was accorded that Government at the hands of a militant Opposition at that time.

Hon. Mr. BELCOURT: Evidently we have done that.

Hon. Mr. ROBERTSON: I desire to say that the Government does appreciate the stand that has been taken by my honourable friend, the leader on the other side of this House (Hon. Mr. Dandurand), in advocating for the new administration a reasonable opportunity to put into practice a policy based upon promises made to and endorsed by the people.

I feel that it is much better to allow a free and full discussion of subjects of public interest—especially such a one as this, which for so many years has divided our people politically—than to attempt to stifle discussion or cut off debate. I hope, therefore, that no one who desired to discuss this question has been prevented from doing so. I do not see any particular necessity for prolonging the debate. With these remarks I move that the Bill be now read a third time.

Hon. Mr. CASGRAIN: May I ask just one question?

Hon. Mr. ROBERTSON: Certainly.

Hon. Mr. CASGRAIN: Does the honourable Minister think that \$20,000,000 is enough? It will not go very far.

Hon. Mr. ROBERTSON: I would point out to my honourable friend that the \$20,000,000 is only a portion of the total amount to be expended, because the provinces and the municipalities are expected to increase it about threefold.

The motion was agreed to, and the Bill was read the third time, and passed.

**THE LEAGUE OF NATIONS—COST TO CANADA
INQUIRY**

On the notice of inquiry by Hon. Mr. Casgrain:

That he will call the attention of the Senate to the increasing cost, to Canada, of membership in the League of Nations and will inquire what is the total amount of money spent to date for any purpose whatever by Canada in connection with the said League, and further has Canada received any money in return for this expenditure, and if so, how much?

Hon. Mr. WILLOUGHBY: I have the information asked for by the honourable gentle-

man regarding Canada's disbursement in connection with the League of Nations.

1919-20 (part year)	\$ 64,043 15
1920-21	219,952 29
1921-22	196,526 69
1922-23	210,531 83
1923-24	193,712 19
1924-25	180,252 49
1925-26	185,774 66
1926-27	181,549 79
1927-28	192,870 37
1928-29	199,526 76
1929-30	216,296 94

Total \$2,041,037 16

No money is received by Canada from the League of Nations.

Hon. Mr. CASGRAIN: I hope I shall not have to forego the opportunity of saying a few words on this subject.

Hon. Mr. WILLOUGHBY: Not at all. The notice may stand.

**SATURDAY SITTING
SUSPENSION OF RULE**

On the motion to adjourn:

Hon. Mr. BUREAU: Rule 14 provides that when the Senate adjourns on Friday it stands adjourned until Monday.

Hon. Mr. WILLOUGHBY: Then, by leave of the House, I would move that the rule be suspended.

The motion was agreed to.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Saturday, September 20, 1930.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. WILLOUGHBY: Honourable members, there is nothing on the Order Paper before us. I have been making inquiries as to when the other House is likely to complete its labours and be ready for prorogation. The best information I have been able to get is that there is no chance whatever of prorogation this week; so there is no object in

our adjourning till a later hour to-day. We have a right to discuss the Bill when it comes from the other House. I move that when the House adjourns to-day it do stand adjourned till Monday next at 2 p.m.

Hon. Mr. DANDURAND: Why 2 p.m. instead of 3?

Hon. Mr. WILLOUGHBY: The reason is that it is desirable to hasten prorogation, if possible, in order that the Prime Minister may depart.

Hon. Mr. DANDURAND: In the expectation that the Bill will leave the other Chamber Monday morning?

Hon. Mr. WILLOUGHBY: And be before us at 2 o'clock. That is the expectation.

The motion was agreed to.

The Senate adjourned until Monday, September 22, at 2 p.m.

THE SENATE

Monday, September 22, 1930.

The Senate met at 2 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. W. B. WILLOUGHBY: Honourable senators, the latest information I have received indicates that the other Chamber will not have finished until at least 2.45, and it may be later than that. I understand the honourable the leader on the other side of this House (Hon. Mr. Dandurand) will not arrive in the city until 4 o'clock, and it has been intimated to me, although not by him, that he will have something to say on the Bill that is to come before us. It is highly desirable that any discussion we may have should not be continued long after 4 o'clock, because we have to fix a time near that hour for prorogation, and to notify His Excellency; and, furthermore, there is to be a Council meeting at 5 o'clock. I know honourable members would not like to interfere with these arrangements.

Right Hon. Mr. GRAHAM: I have not been notified about the Council meeting.

Hon. Mr. WILLOUGHBY: Well, my invitation went astray, too, but I am informed that the Council is to meet.

Hon. Mr. WILLOUGHBY.

PARLIAMENTARY RESTAURANT

MOTION

Hon. Mr. WILLOUGHBY: With the permission of the Senate, I should like to make some reference to the Parliamentary Restaurant. I feel it is safe to say that many honourable members of the Senate and of the other Chamber have not been too well satisfied with the arrangements that were made last year with reference to the operation of the restaurant. As honourable members know, the restaurant was put in charge of the Canadian National Railways and Parliament undertook to indemnify them for any loss they might sustain up to \$15,000 a year. That arrangement was to remain in force for one year only, unless renewed. When we met again provision had to be made for either the renewal of the contract with the company, or the making of other arrangements. We have, as honourable gentlemen know, a Joint Committee of the two Houses on the Restaurant. Two members representing the Senate, and, I presume, an equal number representing the other House, met in conference with Their Honours the Speakers of both Houses to consider what should be done, and, according to the information that I have received, it was the unanimous opinion that the contract should not be renewed, but that there should be a return to the old system. Pursuant to that decision, a resolution was passed by the other House, at the instance of the Prime Minister. I have in my hand a similar resolution, the approval of which by honourable gentlemen will permit of the necessary arrangements being made for the opening of the restaurant next session.

I move, seconded by Right Hon. Mr. Graham:

That it be resolved that the agreement made by the Joint Committee of the Senate and House of Commons on the Restaurant, with the Canadian National Railways, approved by this House on the 6th day of June, 1929, to take over the management of the Parliamentary Restaurant and Cafeteria for the period of one year for the sum of \$15,000 be discontinued and that the management of the said restaurant and cafeteria be again assumed by the Joint Committee of the Senate and House of Commons on the Restaurant.

Hon. Mr. MacARTHUR: Honourable members, I think that we should not acquiesce in this new arrangement without first receiving some information. On the whole, I would perhaps prefer a reversion to the old order. I remember, however, that I was one of the members of the committee that made the arrangement with Mr. Van Wyck. At the

time some very strong opinions had been voiced in regard to the running of the restaurant. It was thought that the Canadian National Railways and the management of the Chateau Laurier could give better satisfaction, particularly by providing better food, and that in the end the Government might save some money. After the experience of one short session we now have placed before us a resolution asking us to revert to the old system. We may be justified in taking such action, but I think we should be informed how the restaurant came out financially last year, whether or not the Canadian National Railways want to give up the contract, and what is behind this motion. We cannot reasonably be asked to jump from one system to the other before hearing some expression of opinion from the members of both Houses. I think that many honourable members would prefer the old system; but if the opinion of Mr. Ryckman had been borne out, the grant of \$15,000 to the Railway, with free light, free rent, free linen and so forth, should have effected a saving to the country and permitted the Canadian National Railways to make some money out of the restaurant. In any event, I think the House and the country are entitled to some information.

Hon. Mr. GORDON: I should like to know why this drastic step is being taken, and whether it is with the consent or at the request of the Canadian National Railways. To speak plainly, I have always regarded the restaurant as a kind of graft. I do not think this country is under any obligation to incur a loss of \$30,000 or \$40,000 a year in feeding the members of this House and the House of Commons. I think that is what it has been doing for many years.

Hon. Mr. TANNER: Oh, no.

Hon. Mr. GORDON: I think I am right.

Hon. Mr. TANNER: Absolutely not.

Hon. Mr. MacARTHUR: Correct.

Hon. Mr. GORDON: I believe that is the fact.

Hon. Mr. TANNER: I have been on the committee and have seen the figures, and I know that the amount is not half that mentioned by the honourable gentleman.

Hon. Mr. MacARTHUR: I remember distinctly that in some years the cost exceeded \$20,000.

Hon. Mr. GORDON: It was higher than that at times. I was under the impression

that it was a good stroke of business to give the management of the restaurant to the Canadian National Railways; first, because I thought the restaurant would be run in the businesslike manner in which that company deals with every problem, and secondly, because we should know just what the cost was going to be. I should be sorry to see that arrangement discontinued without the company having had a full opportunity to show what it could do. As I have said before, I think it is the meanest kind of graft for members of Parliament to accept services that are provided at a loss to the country.

Hon. Mr. TANNER: I do not know where my honourable friend gets his information. I can assure the House that he is quite in error in the figures he has mentioned. No authority has been given for a Committee on the Restaurant to take official action in this matter, but several of us who were members of the committee in past years were sufficiently interested to endeavour to secure the opinions of members of the Senate and members of the other House. It was impossible to see everybody, but so far as we could ascertain it was the consensus of opinion that the service last year was not satisfactory—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER: —and that in the end it did not result in any saving of money.

There has been a general impression that the restaurant was conducted as a club for the members. If it ever was such a club, it was divested last year of that character and became nothing but an ordinary eating-house. Members were treated in just the same way that they would have been if they had gone to a public place of refreshment. To a great many members that was not pleasing. I do not know about my honourable friend, but it has been my custom during the greater part of the sessions to take my meals in the restaurant, and therefore I know something about it.

After consulting with Their Honours the Speakers of both Houses, and with many members, the unofficial committee who were asked to discuss the matter were unanimously of the opinion that we should revert to the old order of things. At the same time it was stated by persons who, I believe, have knowledge of the subject that steps could be taken to reduce the overhead cost of the restaurant.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TANNER: It is well known that the principal difficulty is due to the fact that

there are really only four days of each week—Monday, Tuesday, Wednesday and Thursday—during which the attendance is satisfactory, and that on the remaining days the attendance is very small indeed. Heretofore the overhead has continued throughout the week. We were given to understand that a gentleman in the other House who is in a position of authority and has had experience is of the opinion that a competent staff could be engaged to serve during the four busy days, that a much smaller staff could be secured for the remainder of the week, and that in this way the overhead could be materially reduced.

These are the principal grounds upon which those who took the matter into consideration arrived at the conclusion, with the concurrence of the Speakers of both Houses, and the Prime Minister, that we should revert to the old order.

The motion was agreed to.

The Senate adjourned during pleasure.

The sitting of the Senate was resumed.

CUSTOMS TARIFF AMENDMENT BILL FIRST READING

Bill 4, an Act to amend the Customs Tariff.
—Hon. Mr. Robertson.

SECOND READING

Hon. G. D. ROBERTSON moved the second reading of the Bill.

He said: Honourable senators, in moving the second reading of this Bill, may I make a brief statement concerning its intent? I presume the Senate will not care to discuss it at great length at this time.

This proposed legislation has been introduced by the Government because of its desire to extend protection to Canadian industry, particularly with a view to creating employment for Canadian workmen at this time, when many of our people are in need of work. It is thought that if the millions of dollars' worth of machinery and equipment that are standing idle at present could be put into use there would be an acceleration of industrial activities, and the Government considers that efforts should be made to this end. The Government, therefore, has submitted to Parliament a number of proposed changes in this tariff. These have been approved in another place and are now before this House for consideration and approval. The Government wishes to make possible the opening of factories now closed, and thereby to help in the creation of work for many of our unemployed.

Hon. Mr. TANNER.

Competent and reliable opinion as expressed in another place is to the effect that in a few months, if the proposals embodied in this measure are adopted, there probably will be at least 25,000 workmen added to the staffs of Canadian factories. It is highly desirable in the present circumstances to bring about such a result.

It is not intended that the present tariff revision should be considered as by any means complete or conclusive, for it is expected that further changes will be submitted to Parliament at the next regular session. The Bill now before us affects certain basic industries which it was felt should be dealt with at this special session; and it was partly for the purpose of amending the tariff in respect of these industries that this session was called.

Hon. R. DANDURAND: Honourable senators, during the passage through this Chamber last week of the Customs Act Amendment Bill, commonly known as the Anti-Dumping Bill, there was considerable discussion on the principle of the proposed legislation which is now before us, and I see no reason for repeating what has been said from this side of the House. We have affirmed our belief that the remedy that is proposed in this Bill will not effect the hoped-for cure. We have observed that even the high tariff of the United States has not prevented industrial depression in that country. As was pointed out by a number of honourable members, the present industrial depression is world-wide. My right honourable friend on my left (Right Hon. Mr. Graham) expressed the opinion held on this side of the House when he said that the remedy for the poor times in this country was an increase in the purchasing power of the people. We hope that the Economic Conference to be held in London at the beginning of October will result in the obtaining of wider markets for Canada, with the consequent restoration of prosperity to our citizens. We on this side of the House fear that a higher tariff will bring about an increase in the cost of living, and we believe that the country cannot bear the resulting burden unless Canadian producers, by securing access to wider markets within the British Empire, are able to sell their surplus goods at fair prices.

Until last year Canada was a prosperous country and the envy of the world. When we compared the advances made in this country with those of other countries after the war, we were justified in feeling proud of our national progress. That progress has been affected by conditions over which our Government had no control. We hope that better conditions will be brought about within the

next few months, but I should like to repeat, by way of conclusion, that the best way to restore the prosperity that we enjoyed prior to last year is to increase the purchasing power of our people.

Hon. Mr. ROBERTSON: Honourable senators, as we may be able to dispense with the committee stage, I feel I should call the attention of this House now to the fact that in another place the Bill has been slightly modified. The revised printed copy is not in the hands of honourable members. A few amendments have been made in the tariff schedules. The principal change is in the last clause of the Bill, which read originally as follows:

Provided that this Act shall not apply to goods imported but not entered or to goods bona fide purchased and actually in transit to Canada on or before the sixteenth day of September, one thousand nine hundred and thirty, in respect of which goods the Minister may demand proof satisfactory to himself that the same were purchased and shipped on or before that date.

That has been amended to read:

Provided, that any such enactment shall not apply to goods bona fide purchased and imported, but not entered, on or before the sixteenth day of September, one thousand nine hundred and thirty, nor to goods imported and in warehouse on or before that date provided such goods are taken out of warehouse on or before the thirtieth day of November, one thousand nine hundred and thirty, nor to goods imported, under regulations prescribed by the Minister, on or before the thirtieth day of November, one thousand nine hundred and thirty, when such goods have been bona fide contracted for and purchased in the country of export prior to the aforesaid sixteenth day of September, one thousand nine hundred and thirty.

The motion was agreed to, and the Bill was read the second time.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the Bill.

Hon. C. MacARTHUR: Honourable senators, before this motion is put, I should like to ask the honourable the Minister of Labour whether it is the intention to mail to every honourable member of this House a copy of the schedule, with the old rates of duty shown opposite each item, so that it will be possible to make comparisons. I believe this was promised to members in another place a week ago, but many honourable members of this House have not received such a list. If such information were furnished us we could intelligently compare the new rates with the old

and would be better able to judge of the extent of the changes.

Hon. Mr. ROBERTSON: I shall endeavour to have the information sent to my honourable friend.

Hon. Mr. FORKE: To all of us?

Hon. Mr. WILLOUGHBY: Yes, to all.

The motion was agreed to, and the Bill was read the third time and passed.

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that His Excellency the Governor General would proceed to the Senate Chamber at 4.30 p.m. for the purpose of proroguing the present session of Parliament.

The Senate adjourned during pleasure.

His Excellency the Governor General having come and being seated on the Throne:

The Hon. the SPEAKER commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that: "It is His Excellency the Governor General's pleasure they attend him immediately in the Senate Chamber."

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

An Act to amend the Customs Act.
An Act to amend the Customs Tariff.
An Act for the granting of aid for the Relief of Unemployment.

THE GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the first Session of the Seventeenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

I thank you for the prompt consideration which you have given to the measures submitted to you, and which are deemed necessary for the relief of unemployment in the Dominion. It is my fervent hope and confident belief that these measures will prove effective in accomplishing the purposes for which they have been enacted.

Honourable Members of the Senate:

Members of the House of Commons:

In relieving you from the duties to which you were summoned, I commend to the Divine protection the people of this Dominion.

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